



THE INDEPENDENT

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THE FRANKENSTEIN EFFECT
IN THE BUSINESS REVIEW
ABOUT BUSINESS PEOPLE, FOR BUSINESS PEOPLE

YOUNG MANDELSON
THE MAKING OF A MAVERICK

REVIEW FRONT

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'Over the ridge, a 21st century war rages. Here, it's a biblical tragedy'

AFTER MOST of the lights have gone out, and the darkness has obscured the details of clothes and shoes, it is impossible to tell what country or even what century you are in. Malina Mala is the village at the end of Macedonia - a few hundred yards to the north, over the ridge, is Kosovo, where who know what is taking place. At night, the soldiers guarding the border peer over onto the plain below and watch the fires of the exploding bombs of the Nato planes, and the villages torched by the Serbian police. But by the side of its teeth, Malina Mala is part of Macedonia and here, as a 21st century war is waged over the ridge, a medieval, almost Biblical, scene is acting itself out.

It takes the form of a procession: a long straggling parade of people and animals which begins at dusk and continues for most of the night. The lucky ones come in on squat ponies, lashed with bags and blankets, staggering lamely down the muddy village track.

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But most of them have walked here, for eight, ten, twelve hours or more - people of all ages and professions, in leather jackets, overcoats and shawls.

Even the journey from Skopje gives you some idea of what these people have been through, for on Monday when we made our attempt, there was no way in but to walk. There is a road to Malina - a terrible road, but accessible by Jeep. But ours was turned back five miles from the village, at a command post operated by the Macedonian police. On Sunday, two days of aid was successfully brought through by the United Nations World Food Programme (WFP). On Monday even they were turned back by the border guards, who insisted that the ill-defined border

Malina Mala has been swamped, and even the people in the village have lost count. On Saturday, two days of aid was successfully brought through by the United Nations World Food Programme (WFP). On Monday even they were turned back by the border guards, who insisted that the ill-defined border

BY RICHARD LLOYD PARRY
in Malina Mala on the
Kosovo-Macedonia border

pected last night, Malina Mala has 60 houses, simple two-storey structures of stone and wood, in which the lower floor is given over to workshops and animals. Every available space is now occupied by refugees, and there is no more shelter to be had.

In the school, where many of the women and children are quartered, it is standing room only - there are bodies in the corridors, under and on top of the tables, pressed up hard against the walls where blackboards and maps still hang. The mosque is full of sleeping men; in the house where our small group finally finds room, there are more than 50 people. And when we wake up in the morning there are a few hundred or so men standing and hunching around fires. It is snowing.

In Skopje, the capital of Macedonia, the aid agencies are asking themselves where the refugees have gone, and the answer is here. By some unfathomable caprice of the Serbian army, the official border crossings between Kosovo and Macedonia - at Jazhincë, Tabanovce and Blace - have been virtually deserted. Instead of allowing their victims through these places, where refugee camps, medical care, and a registration system have been prepared, they are squeezing them out, drop by human drop, across the bitter mountain terrain, to Malina Mala, one of the places in Macedonia least able to shelter them.

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A boy with his sister yesterday riding into Malina Mala, the first village in Macedonia reached by the procession of refugees crossing the ridge from Kosovo. Tom Pilston

road was too dangerous. Another road, blocked by snow, skirts the opposite ridge safely inside Macedonia. From here we walked.

Two thoughts occur to you as you travel through this kind of country. The first is the scale of the task which Nato forces face, and if and when they finally do invade Kosovo. The valleys fall and rise in ankle-twisting de-

scents and exhausting climbs. The mountains are forested, and the rough tracks pass beneath rocky overhangs and blind slopes, perfect terrain for ambushes and guerrilla defence tactics. The second thought is of the Kosovar Albanian refugees.

After three hours of walking, burdened only with cameras and notebooks, we arrived speechless with exhaustion. But the refugees know that anything they do not carry with them they will lose forever - hence the bulging suitcases, jugged across hills and rivers, and above all the human cargo of the sick, elderly and disabled.

There are so many stories here that it would take years to make an account of them all. In

the school, I saw a smartly-dressed man on crutches, a woman nine months pregnant, numerous tiny babies, and men and women so old that they could barely stand. The local villagers, all of them ethnic Albanians, spoke of finding people with amputated limbs struggling through the mud. Yesterday, six old people were unaccounted for.

TURN TO PAGE THREE

Eight injured in school shootout

GUNMEN once more brought terror to an American school yesterday, sparking a massive police operation.

Eight students were shot and seriously wounded when two youths, dressed in black and wearing ski masks, walked into Columbine High School, in the Denver suburb of Littleton, and opened fire. Hand grenades were also thrown. A local television station, KUSA-TV, reported that the injured students were taken to hospitals in the area. One female student was said to have nine gunshot wounds to the chest.

As many as 17 students were thought to have been taken hostage by the gunmen.

Several witnesses told local television reporters that they saw two men dressed in black

BY MARY DEJEVSKY
in Washington

trench coats and armed with shotguns - or even machine guns - roaming through the school, firing at people and throwing fire bombs.

A student, identified as Janine, told KCNC-TV: "They had black trench coats on. They were shooting people and throwing grenades and stuff. We just walked out and they started shooting people... We saw like three people get shot. They were just shooting, they didn't care who they shot at. They were just shooting."

"We didn't think it was real and then we saw blood," she said. Her voice broke with anguish as she spoke.



Columbine High School in Littleton, Denver, where gunmen opened fire yesterday

One student, Kristin Carbole, said she saw "kids go down". A parent, Kim Sander, said: "My daughter called me over half-hour ago, said it was a white male shooter. She said he was on a ledge shooting down at students. Some girls came back to pick up fat girl but the girl did not move."

There also were reports of an explosion and fire. Steve Davis, a spokesman for the Jefferson County Sheriff's Department, said: "We do have

injuries... right now all I've got is there have been several shots fired, some explosions heard and some fire in the school." Ambulances and police cars were arriving at the school around lunchtime, as a special operations team was called in.

Jonathan Ladd said he saw students running and heard shots ricochet off lockers.

Columbine High is in the middle-class suburb of Littleton, population 35,000, southwest of Denver. It opened in 1973 and has an enrollment of about 1,800.

Last school year, a series of school shootings at schools in Pearl, Mississippi; Jonesboro, Arkansas; West Paducah, Kentucky; and Springfield, Oregon, shocked the nation.

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ALLURE
FOR MEN



CHANEL

WAR IN THE BALKANS

"Nato's bombs and missiles are intended to destroy the world order created after WWII, and to find an order on brute force"

Patriarch Alexiy II, head of the Russian Orthodox Church

"Heaven only knows what we will find when we go into Kosovo ... my generation never thought to see those scenes in Europe again"

Tony Blair at Nato HQ

"How could Milosevic be put in charge of Kosovo given all that has happened? It would be like putting the fox back in charge of the chickens"

Senior British diplomat

"There are some members of the Labour Party saying outrageous things defending what Serbia is doing ... They are a disgrace to the Labour Party"

Clore Short MP

"We are fighting for the values of civilisation, of justice ... We are proud of you and you should be proud of yourselves"

Tony Blair to Nato military chiefs

THE INDEPENDENT
Wednesday 21 April 1999

Nato 'cannot help trapped Albanians'

STRATEGY

BY STEPHEN CASTLE in Brussels

TONY BLAIR has admitted Nato is powerless to help 850,000 displaced Albanians now trapped in the hills and forests of Kosovo and coming under Serb attack.

Mr Blair said yesterday that Nato warplanes had hit tanks and armoured vehicles in Kosovo used in President Slobodan Milosevic's campaign of ethnic cleansing, but he conceded that the alliance could do little for the refugees except to press on with its four-week air war.

"We're deeply worried about the people inside Kosovo. The only chance they have got, however, is [for us] to make our campaign successful. There is literally nothing more that they need than making sure that our campaign is successful."

The Prime Minister appeared to spell out Nato's war aims in the clearest terms yet when he said the air campaign would continue until Mr Milosevic "steps down".

Jamie Shea, Nato's spokes-

man, said simply that the air campaign will continue until the Yugoslav President "backs down". One source said those were the words that Mr Blair had meant to use.

However, the French Foreign Minister, Hubert Vedrine, appeared to agree with Mr Blair. In an interview with the *International Herald Tribune* he called for an end, in the long-term, to Mr Milosevic's rule.

Mr Vedrine said: "Our general goal is to see Yugoslavia become democratic. That means a change of regime".

Mr Blair declined to rule out the use of ground troops at a later stage, while holding out little prospect of the immediate relief of the displaced Albanians trapped inside Kosovo.

"To see people herded on to trains and taken away from their homes and to hear the stories the refugees have come back from Kosovo with – and heaven only knows what we shall find when we go into

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Wales: overcast with some Dots, Isle of Man: Windy with showers merging to a longer period of rain. A fresh south-westerly wind. Max temp 10-13C (50-55F).

Cent S & SW England: Chilled to very windy with fresh showers and some periods of rain. Eastern Scotland will be cool and mostly cloudy with some showers at times. Western Scotland will be brighter but rather windy with gales in what.

Mr Blair said: "He is not signalling that Milosevic must step down from what he is doing in Kosovo."

Asked in Washington about Mr Blair's statement, the US Secretary of State, Madeleine Albright, said the removal of Mr Milosevic was not "a goal of US policy" and that there must have been a "garble" in what Mr Blair said.

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Jamie Shea, Nato's spokes-



Tony Blair standing by a rocket and a tank of a Tornado jet as he talks to Wing Commander Tim Anderson of the RAF at Brueggen airbase near the Dutch-German border yesterday

Arnd Wiegmann

CONFlict BRIEFING: DAY 28

- Bangladesh has offered to send troops to join any future UN peacekeeping force in Kosovo.
- Romania has granted Nato unlimited access to its air space.
- Greece is taking precautionary measures to minimise any harm the airstrikes may have on tourism.
- The German military is planning to send helicopter and communications units to Albania to assist.
- Nato efforts to aid more than 300,000 Kosovar refugees.
- Germany has contributed €10,000 to a UN agency to help document human rights abuses in Kosovo.
- Thousands of Greek Cypriot students walked out of their classes to hurl eggs at the US embassy to protest the Nato bombings.
- The racing driver Ralf Schumacher cancelled a visit to Slovenia yesterday because of its proximity to the conflict over Kosovo. Slovenia is more than 188 miles from Yugoslavia.
- The Dutch government is offering shelter in tent camps in The Netherlands to 1,000 refugees with medical problems.

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Hints that Nato is hardening its stand against Mr Milosevic follow comments at the weekend by the US President, Bill Clinton, in which he denounced the "unspeakable violence of Europe's worst demagogue".

On ground troops, the Prime Minister made a distinction between a land force which had to fight its way into Kosovo and one which was uninvited but largely unopposed by the

Serbs. "We have always made clear the difficulties of putting in ground forces as a land force invasion against unopposed, organised Serb resistance," he said.

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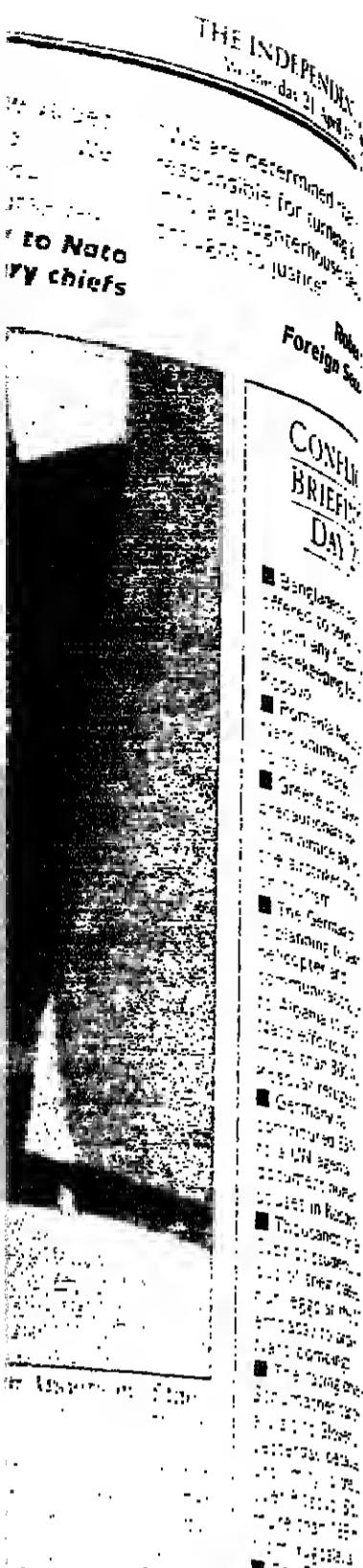
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Serbs cross border to kill refugees

MONTENEGRO

BY MARCUS TANNER

SERBIA HAS deployed para-military death squads into neighbouring Montenegro to hunt down and kill Albanians who have fled there from the terror in Kosovo. One month into the alliance air campaign there are signs that Serbia is moving fast to tighten its stranglehold on Yugoslavia's rebellious junior republic.

At least six Albanian refugees who thought they had found some security in border villages inside the republic were killed this week by "unidentified uniformed police" who crossed over from Serbia and shot them.

The government of the pro-Western republic, which with Serbia forms Federal Yugoslavia but opposes President Slobodan Milosevic, yesterday sent the deputy prime minister to investigate the killings.

"This is evidently a war crime, a crime against humanity," Dragisa Burzan said on reaching the alleged massacre site at Rozaje, near the border with Kosovo. Mr Burzan said he would insist that Serbia be held over the troops responsible for trial in the Montenegrin capital, Podgorica.

The outburst against Yugoslavia federal forces was unexpected but there is scant chance of Belgrade taking any

notice. The 700,000 inhabitants of Montenegro are virtually powerless to stop 9-million-strong Serbia from taking over their tiny coastal republic.

The Montenegrin newspaper *Vijesti* said a woman aged 70 and a 13-year-old boy were among the six victims killed near Rozaje but refugees and local residents told the newspaper they believed the Serbs troops had killed many more people. They added that the Yugoslav army had brought heavy artillery into the area.

They also said Serb police and soldiers - in flagrant violation of Montenegro's sovereignty - were ethnically cleansing a whole string of villages on the Montenegrin border with Kosovo.

"The government will discuss the issue today," the Social Affairs Minister, Predrag Drecun, said in Podgorica. "Montenegro did not participate in the creation of this war and I do not believe any Montenegrin wants violence here."

The republic's pro-Western government, led by Milo Djukanovic, has already exhausted Belgrade's patience by obstinately refusing to denounce Nato's bombing campaign, and by giving refuge to at least 60,000 Albanians whom the Serbs had driven out of Kosovo.

Yugoslavia, who went to war in 1991 after Croatia declared its independence.

The Podgorica government also said Belgrade had confronted it yesterday with a demand for control over Montenegro's police force to be handed over to the Yugoslav army. That would effectively end Montenegro's autonomy within Yugoslavia as well as striking terror into the hearts of the Albanian refugees in the republic, who have so far been shielded by the Montenegrin police from Serbian ethnic cleansing.

Tension in Podgorica is already so high that the government of Mr Djukanovic has stationed police marksmen on the roof tops of government buildings and the local television station, to protect them in the event of a coup staged by the Yugoslav army.

But if Mr Milosevic does stage a military coup against Montenegro the key figure is already in place. At the beginning of the conflict with Nato, the Yugoslav President replaced Radoslav Martinovic as commander of the 2nd Army in Montenegro with Milorad Obradorovic, a strong Serb nationalist known to be loyal to Belgrade.

While Serbia certainly has the physical power to extinguish resistance in Montenegro

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A Montenegrin border guard watching Kosovars fleeing into the republic to escape Serb forces

AP/David Brauchi

and install a more obedient government, a coup would certainly - in the long term - strengthen pro-independence feeling in the republic, which has been on the rise for several years.

Montenegrins have a proud tradition of resisting outside invaders that dates back to the long centuries when their tiny state, whose name means "Black Mountain", held out against the Ottoman empire. In 1918 the country was fiercely divided into two factions, known as the greens and the whites, over plans to merge their kingdom with Serbia, Croatia and Slovenia to form the new state of Yugoslavia. Many were never

reconciled to the forced exile of their royal family and the loss of their independence. Today their political descendants are bitter about the way that Serbia's confrontational policies have ruined their hopes of forging closer ties to the West.

But a coup against Montenegro would stun public opinion in Serbia too. The Serbs see the Montenegrins as family, and as fellow members of the Serbian Orthodox Church, all in all as very different from Catholic Croats, or Muslim Bosnians and Albanians. Most would be traumatised to see Serbs fighting the one nation that they thought they could count on in a crisis.

'Boys forced to give blood'

ATROCITIES

BY MARCUS TANNER

THE WESTERN alliance accused the Serbian army yesterday of setting up rape camps for ethnic Albanian women and forcing young Albanian boys to donate blood for Serb casualties.

The Nato spokesman Jamie Shea also said men from Kosovo were being used as human shields for Serb tanks and were made to dig mass graves to bury fellow refugees killed by Serbs during "ethnic cleansing" operations.

Mr Shea's account was one of the most comprehensive summaries of allegations of atrocities provided by the alliance. None of the information can be independently confirmed because Serbia has banned Western journalists from Kosovo, except when they are brought in under Serb escort for hand-picked events. Most of it comes from refugees or from Kosovo guerrillas using satellite phones.

Mr Shea said many refugees told of rapes in the western Kosovo towns of Pec and Djakovica. Women sent to an army camp near Djakovica were repeatedly raped by Serb soldiers, he said. In Pec, the headquarters of the Serbian church, Serb forces had turned a hotel into a brothel imprisoning Albanian women.

The commander apparently organised a roster of his soldiers to allow them all an evening at the hotel, he said.

Refugees also said the Serbs had taken hundreds of boys as young as 14 "either to use as human shields or as blood banks for Serb casualties".

Others said 700 men had been used as human shields last week near the town of Orahovac in central Kosovo. "The ethnic Albanian men were forced to stand in front of tanks in the rain for two days with their hands tied behind their heads," Mr Shea said. "A few escaped by paying the soldiers 10,000 Deutschmarks.

"These atrocity reports are too numerous to suggest they are without foundation."

'Now we take your money, next it will be your lives'

FROM PAGE ONE

The fate of these people illustrates once again the most frightening thing about the Serb programme: its systematic nature. This is what happened: on 5 April, from various accounts gathered in the past two days, three men were executed by Serb police in the village of Lubozhe, close to the town of Vitina, 10 miles over the border. Their names were Mustafa Shema, Muhamet Muhamremi and Xhemal Ademi, aged 32, 28 and 20 respectively. No one I spoke to saw the killings personally, but the men were seen being chased by police and later their bodies were found by the river with a single bullet wound through each temple.

Luhishe was already swollen with refugees from eight nearby villages, which had been mortared by the Serbs - its population of 2,025 had grown to 5,000. The police came back and started ransacking houses and stealing valuables on the pretext of searching for guns. They took tractors and confiscated car keys. That night, a group of villagers decided to leave for Macedonia but, close to the border, they were fired upon by Serbs, and a child was wounded.

For 10 days, they stayed in



the village. "We slept with our clothes on every night, expecting the Serbs to break in," said the village's doctor (like most of the people, the doctor did not want to be named). "We lived in terror. We heard voices talking outside the house and those nights we slept without sleep."

Last Friday, the military police came back, asking for villagers who had been active in Kosovo politics. "The food stores were nearly at an end, and I couldn't treat people any more because I had no medicine," said the doctor. On Friday evening, the village collectively decided to move.

The Serbs taunted them as they left. "They shouted, 'You asked for Nato - so why isn't Nato helping you now?'"

The food the WFP brought

was running out yesterday morning. Some of the children have rashes; many of the refugees have hacking coughs. Robert Allemand Medecins du Monde, the only doctor to make it past the police yesterday, said there were malnutrition cases. The village offers only one kind of protection now: relative security from Serb attack, even if only by a few hundred yards.

Hundreds of thousands of Kosovars lack even that. The refugees in Malina Mala spoke of tens of thousands of their compatriots whose villages were almost certain to be cleared in the next few days. Nato intelligence sources in Skopje are predicting 200,000 refugees making their way to the borders of Albania and Macedonia and likely to arrive over the next 10 days. Another 600,000 to 800,000 are said to be marooned in the hills and villages. It was a desolate thing to drive out of the village yesterday, to look down from the road on to the Kosovo plain and think of those still out there.

Along the road out, a soldier said that Monday night had been the most spectacular so far. "There were bombs and flames everywhere. Kosovo looked like a bonfire."

RICHARD LLOYD PARRY

Readers' cash still pours in

THE INDEPENDENT

KOSOVO APPEAL



READERS OF *The Independent* are continuing to respond generously to our appeal for help for the refugees of Kosovo. The total has now exceeded £585,000.

"The money is still pouring in. This is very encouraging," said a spokesman for the Disasters Emergency Committee (DEC), the body co-ordinating the appeal. We are amazed at the generosity of your readers."

The money will be used to buy food blankets, medical

supplies, emergency shelters, sanitation and water purification equipment.

More than 600,000 Kosovo Albanians have fled or been forced from their homes by the Serbs. Nearly 140,000 are now living in huge refugee camps in Macedonia, while 350,000 are in Albania. About 15,000 refugees have been flown to safety in western Europe.

Tens of thousands more flooded into the camps yesterday and many are surviving without any shelter.

HOW TO MAKE A DONATION

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KLA tells Nato: 'Arm us or invade'

THE RESISTANCE

BY STEVE BOGGAN AND FRON NAZI in Tirana

THOUSANDS OF Kosovo Liberation Army (KLA) troops are massing in the north of the province to defend 250,000 ethnic Albanian civilians trapped by the fighting, and to prevent Yugoslav forces from partitioning the area.

According to a KLA commander in the field, more than 10,000 men are offering fierce resistance in the north to counter any hopes Slobodan Milosevic might harbour of holding on to the mineral-rich region in the event of a peace deal being struck with Nato.

In interviews with *The Independent*, Xhavit Haliti, the KLA's political spokesman, said that the entire population of Kosovo could be returned to their homes by the end of July if Nato would either deploy ground troops or provide the KLA with weapons.

He said the KLA was sharing intelligence with Nato, was guiding Alliance aircraft to Serb positions, and was holding three more prisoners of war – two Serbs and a Russian mercenary – inside Kosovo.

Speaking by satellite phone, a KLA commander in the field, who did not wish to be named, said the KLA had been defending 250,000 civilians in the Lapski and Shajka region in the north. "We are doing well, but we are concerned about food and medicines, which are running very low," he said.

Mr Haliti said Serb-free "safe zones" had been estab-

lished around several areas in central Kosovo. "We believe we now hold more than one-third of Kosovo," he said. "Give us the tools and we will do the job."

Along with protecting the Albanian civilians, the KLA is trying to prevent Yugoslav forces from completely depopulating the region as part of a potential partition offer.

The strategy is aimed at holding onto these areas, so they cannot be used as bargaining chips by Milosevic. Kosovo Albanians fear that Belgrade may offer a truce and hand over part of the province in exchange for Kosovo's strategic, economic and historical assets in the north. These include valuable mines and sites of religious importance to the Serbs.

At the back of the KLA's mind is the precedent of Bosnia. For several years after ethnic warfare broke out in Bosnia in 1992, the Western powers maintained they would never accept a territorial division of the republic along ethnic lines. But, in 1995, the US-brokered peace deal at Dayton, Ohio, partitioned Bosnia between the Serbs and the Muslim-Croat federation.

They also know that Milosevic's one-time intellectual mentor, the Serbian writer Dohrica Cotic, has often played with the notion of partitioning Kosovo between Serbs and Albanians, with the



A Kosovo Liberation Army soldier outside a refugee camp yesterday in Kukes, northern Albania

Serbs getting the biggest share of the region, although they comprise only 10 per cent of Kosovo's population.

The KLA believes the Serbs intend to partition Kosovo along a line stretching from the north-western city of Pec to the south-eastern region of Krajmarovac. Such a line would give the Serbs the capital of the province, Pristina, the major town of Mitrovica, part of the

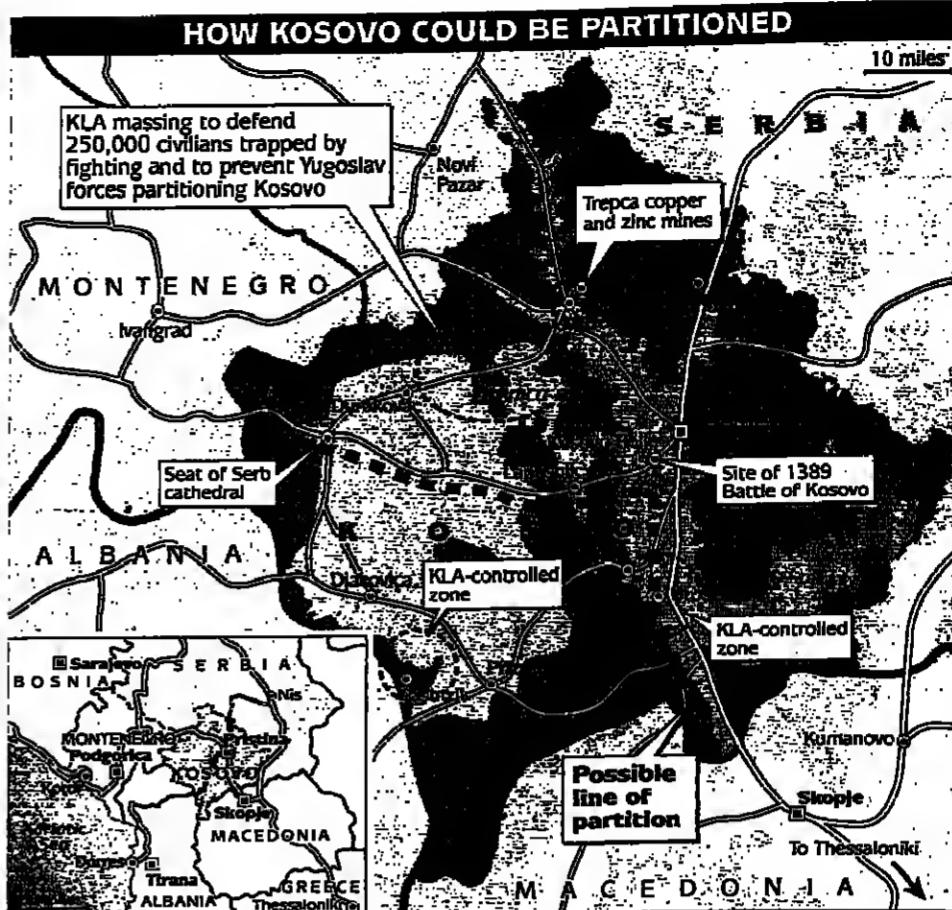
Drenica region and Kosovo Polje, site of the Serbian battle with the Turks in 1389 and a place with great historical resonance for the Serbs. It is also thought that the Serbs have their eyes on copper and zinc mines in the Shajka area.

Belgrade is also believed to be aiming to secure the major highways that lead west from Kosovo to the Montenegro port of Kotor, through the city

of Pec. By taking the region of Kraj Morave, the Serbs would build a buffer to the highway that skirts Kosovo and leads, via Macedonia, to the Greek port of Thessaloniki.

The total partition plan is believed to envisage an ethnically pure Slav border between Montenegro, Serbia and Macedonia.

Mr Haliti believes the KLA can prevent any such parti-



tion. During an interview at the KLA headquarters in Tirana, he said the Kosovars were making gains and were playing a significant role in the Nato bombardment. "We have been giving details of Serb positions to Nato and, where we target, Nato bombs," he said. "There is an exchange of intelligence. We give it to Nato and we also receive it."

Mr Haliti revealed that he had met General Wesley Clark, the supreme Allied commander, three times. Each time he had appealed for Nato to intervene on the ground, or to supply the KLA with armour and artillery. It currently has only automatic weapons and mortars.

Mr Haliti denied the KLA was receiving weapons from Nato – but on his desk was an equipment requisition list, written in English and bearing the serial number "B1-G2". G2 is an identification code for US military intelligence.

"We are doing well and we have established some safe zones," he said. "We have also been taking prisoners. We are holding two Serbs and a Russian in the town of Pashtrik, which we control. They are officers and are being interrogated and held in accordance with international law. They were all captured in Yugoslav military uniforms." He said the Russian was a mercenary.

"Our main concern is that Nato either ends in ground troops or gives us weapons," he said. "If it gives us weapons, we believe we can drive the Serbs out without risk to Nato troops, then they

could follow later. We have been making representations to Nato countries."

The Albanians fear that Nato will never arm the KLA and will eventually be seduced by the offer of a ceasefire. Partition could then follow.

Yber Hysa, of the Kosovo Action and Civic Initiative, formerly a Pristina-based think-tank, said: "If the West buys into any part of this [Serb] scheme for ending the war, then they will have set a precedent for the region. Aggression will have been rewarded and it will be clear that territories can be divided according to both ethnic and economic lines."

Fron Nazi is a correspondent for the Institute for War and Peace Reporting

Serb tanks wrecked by air strikes

AIR WAR

BY JOHN DAVISON

NATO BOMBERS have destroyed six more Serbian tanks in Kosovo, as Apache tank-killing helicopters head for Albania to kickstart the next phase of the air campaign.

Alliance spokesmen said several armoured personnel carriers and other military vehicles were also destroyed in raids on Monday. But commanders are relying heavily on the Apaches to make a real impact on the situation.

Nato has repeatedly shied from giving a running total of tanks hit, but it has given separate briefings on 17 believed "kills". The rate of strikes is increasing, although there is a long way to go before Serb forces are seriously threatened.

Analysts say the 40,000 Yugoslav army and special police in Kosovo, have 300 tank.

Warplanes also attacked a FROG short-range surface-to-air missile launcher and its support vehicles and some 20 fixed targets including ammunition storage sites, radio relay stations and a command post.

Nato in Brussels reported that Serbian special police in Kosovo were now using tear gas in the Pristina area.

In London, General Sir Charles Guthrie, chief of the defence staff, said Nato had flown a total of 8,000 sorties, of which 2,500 have been attack missions. The RAF has flown about 10 per cent of this, using Harrier GR-7s, Tornados flying

from Germany, Sea Harriers from HMS *Invincible*, tankers and other support aircraft.

General Guthrie said the figures emphasised three points – that a large amount of support flying has to be done to ensure attack flights could be carried out safely, that there was no "quick fix" solution to such a large-scale campaign, and that Nato was pursuing it with "utmost determination".

He told them: "I would like to express my thanks and the gratitude of my country and of all the leaders of nations in Nato for the work these crews and the staff are doing in support of the Nato action."

Mr Blair said 50 per cent of Serbia's best fighter planes, the MiG-29s, had been destroyed,

along with 25 per cent of its MiG-21s and 30 percent of its Super Galeb, used in attacks on civilians in Kosovo.

TIMETABLE: DAYS 27 AND 28

11am: Thousands of Serbs pray for peace in Belgrade at a service led by the head of the Russian Orthodox church.

12 noon: In a breakthrough for aid agencies struggling to house ethnic Albanians from Kosovo, Macedonia agrees to build a new refugee camp.

12.23pm: The UN refugee agency declares its camps in Macedonia full beyond capacity, leaving 2,000 to 3,000 new arrivals from Kosovo in no man's land.

1.40pm: Britain gives the UN war-crimes chief prosecutor, Louise Arbour, intelligence gathered in Yugoslavia on Serb killings in Kosovo before Nato air strikes began.

3.15pm: Yugoslav army closes Montenegro's border with Croatia.

4pm: The first of 24 US Apache attack helicopters arrives in Albania, Albanian television reports.

5.16pm: Six US senators introduce a resolution authorising President Bill Clinton to use "all necessary means" for the US and its allies to meet their goals in Kosovo.

5.53pm: Montenegro's deputy prime minister, Dragisa Burzan, said the Yugoslav army had killed "at least six" Kosovar refugees inside Montenegro and wounded an unknown number of other people.

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THE BALKAN QUESTION

KEY ISSUES BEHIND THE WAR EXPLAINED

Are the Montenegrins Serbs, or a separate nation?

The Montenegrins are close relatives of the Serbs and share their Orthodox faith. But for many centuries they had their own state and since 1945 they have been a constituent republic of Yugoslavia.

In the early 1990s Montenegro supported Serbia in its wars against Muslim Bosnians and Catholic Croats and the republic made no move to secede from Yugoslavia.

Today they are much more divided. About half strongly

favour continuing ties with Serbia while the other half looks back with nostalgia to the days before 1918, when Montenegro was a separate kingdom under the Petrovic dynasty. At the moment the pro-independence faction is in power but it is feared that the Serb-dominated Yugoslav army may topple them at any moment.

Who still speaks Serbo-Croat? No one. The hybrid language favoured by Tito's communists has died a dismal death in former Yugoslavia, where

three successor nations insist on calling their virtually indistinguishable languages Serbian, Bosnian and Croatian.

The Slovenes, Macedonians and Kosovars never spoke it well, if at all, to start with. The first two have their own separate Slavic languages while the Kosovars speak Albanian. There are dialects within Albanian but they do not follow international boundaries. In other words, there is no such thing as a specifically "Kosovar" version of Albanian.

MARCUS TANNER



WITH THE INDEPENDENT TOMORROW

'Once the big names were Oxford and Cambridge – now they're Harvard, Yale and Princeton'

THE DECLINE OF THE BRITISH UNIVERSITY, IN THE EDUCATION SUPPLEMENT



THE BEST WRITING, WEEK IN, WEEK OUT: DEBORAH ROSS, HOWARD JACOBSON, HAMISH MCRAE, IAN JACK, ROBERT FISK, TERENCE BLACKER, SUSANNAH FRANKEL, BRIAN VINER, PHILIP HENSHER, JOHN WALSH, RICHARD WILLIAMS, DAVID AARONOVITCH, DEBORAH ORR, THOMAS SUTCLIFFE, MILES KINGSTON, SUE ARNOLD, ANDREAS WHITTEM SMITH

Straw says sorry for insult to Liverpool

JACK STRAW was forced to apologise yesterday after he caused widespread offence in Liverpool by claiming in a speech about crime that Scousers are "always up to something".

The Home Secretary made the comment at the launch of the Government's Crime Reduction Bill in Milton Keynes last Friday. As he outlined crime-cutting plans, he referred to his visit to Liverpool on Monday last week, when he viewed the Alley Gate Scheme in the Edge Hill area. The scheme involves erecting gates around houses to deter burglars.

Mr Straw told his audience: "I thought, 'What the devil is this?' You know what Scousers are like, always up to something – please do not repeat that to anyone from Liverpool."

The comments provoked anger and condemnation when they became public yesterday.

The leader of Liverpool City Council, Mike Storey, accused Mr Straw of encouraging discrimination. "Mr Straw has just reinforced prejudiced, stereotypical views of Liverpool people. He should apologise," Mr Storey said.

Mr Straw sought to defuse the row last night, saying: "As an Essex man and a Blackburn supporter I often find myself the butt of jokes."

"My comments were meant to be light-hearted. I didn't intend to cause offence, but if anybody was offended by what I said then I offer my apologies."

The controversy comes at an embarrassing time, as Mr Straw is seeking to encourage a new concept of British citizenship which respects the differences in the population.

Mr Storey said: "Liverpool people can take a joke like everyone else, but this idea, this

BY CHERRY NORTON
AND IAN BURRELLview of Liverpool people, like with the TV series *Mersey Blues*, that crime is a career option on Merseyside – the facts prove that wrong. It's a constant drip-drip of stereotypical views."

Liverpudlians have a strong sense of identity because their strong Irish and Welsh immigrant sub-cultures have given them both a unique accent and a sense of detachment from the rest of the country, social experts said yesterday.

The original stereotype of Scousers as irreverent and humorous – exemplified by The Beatles – has in the past three decades turned into something less appealing. They are now sometimes characterised as lazy, hard-drinking whingers whose principal income comes from theft. This change in perception is perhaps the result of the social and economic hardship endured by Liverpool since the mid-Seventies' decline of the shipping trade, according to one expert.

Michael Billig, professor of social sciences at Loughborough University of Technology, said: "When a community has a strong sense of its own identity, outsiders recognising this, also develop a strong stereotype of what those people are like which is not always true. I don't expect the people who think Liverpudlians steal things have looked at the crime figures and made a value judgement."

Liverpudlians' strong sense of community was shown in full force to the rest of the country after the Hillsborough disaster on 15 April, 1989 – and again last week with the tenth anniversary commemoration service for the 96 killed.

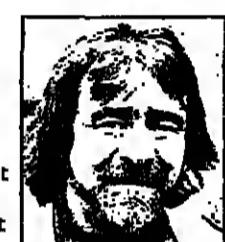


The Liver Building at Liverpool pier head, a symbol of the city's once-pride industry

SCOUSERS ANSWER BACK

Anne Robinson, journalist (left): "I think we have such a huge sense of humour I cannot imagine that anyone could be offended by it. We are intelligent, witty and self-confident and Scousers would only be offended if they thought he had said something incredibly funny before they thought of it. I am very proud to be a Scouser."

Stan Boardman, Liverpool comedian: "Once again, it's someone in power having a go at Liverpool. It's something you'd expect from a Tory not a Labour minister. In a league table of thieves, Liverpool wouldn't even qualify for Europe."



Alan Bleasdale, playwright (right): "The last time this man [Bleasdale himself] went down to London on the train, he had all his credit cards stolen at Milton Keynes and someone went around Milton Keynes robbing me soft. But that doesn't mean I think everyone from Milton Keynes is a thief. What Straw said is a patronising cliché and even if he meant it as a joke, it is still offensive."

Gerry Marsden, who popularised the Liverpool anthem, "You'll Never Walk Alone": "It's just a load of rubbish. Nobody in Liverpool gives a damn what Jack Straw thinks. It's water off a duck's back."



Carla Lane, scriptwriter: "I am sure he meant no harm by it and anyway I think he is right – we are always up to something and may we continue to be. I don't think he meant we are always up to crime; I think he was just trying to be funny and it is very foolish to get upright about something that was not meant. You have to laugh and malign but Liverpool has a lot to be proud of and Scousers need to stop being so quick to take offence."

Mandelson is still close adviser to party chiefs

BY ANDREW GRICE
Political Editor

Mandelson: Playing a big role behind the scenes

PETER MANDELSON is continuing to act as a close adviser to Tony Blair, despite his resignation from the Cabinet, according to the new biography of the former secretary of state for trade and industry.

The book suggests that since he stood down last December, Mr Mandelson has played an active role behind the scenes in influencing government policies, even though he has sought to keep a low public profile.

"The Prime Minister continued regularly to consult him in early morning telephone calls after he had resigned," says Donald Macintyre's biography. Mandelson "was closely involved, for example, in Blair's Commons statement on the EMU [European Monetary Union] changeover plans in February, urging, as usual, that it should send as clear a message as possible that the Government intended joining the single currency."

IN BRIEF**Doctor cleared in baby death**

HILARY EVANS, a 29-year-old junior doctor at Rotherham District General Hospital, South Yorkshire, was found not guilty yesterday of serious professional misconduct by the General Medical Council over the death of a premature baby after a massive overdose of morphine.

Arrests in Irish murder case

SEVERAL ARRESTS were made yesterday in raids by police investigating the murder of Frankie Curry, a Northern Ireland loyalist and former Red Hand Commando chief shot outside a club in west Belfast on St Patrick's Day in a suspected internal loyalist dispute.

Work stakes place in the Dome

SOME of the first attractions visitors to the Millennium Dome will encounter will be a hectoring boss and a clock-on machine. Also on show will be a 100,000-hour clock, representing the average lifetime at work.

Child bomb victim leaves hospital

THE 23-MONTH-OLD boy who had a nail removed from his head after the Brixton bomb blast has left Great Ormond Street Hospital for Sick Children, a spokeswoman said.

The book also discloses that Gordon Brown has told Mr Mandelson he is "absolutely confident" he could and would return to government. The two men attempted a reconciliation in January, after their feud was blamed for the disclosure of the £373,000 personal loan from Geoffrey Robinson that cost Mr Mandelson his cabinet job.

At the meeting, Mr Brown said that some of the people "around us" had known them only since the break in their relationship after the death of John Smith in 1994. They did not understand the empathy and fondness that existed in the previous six years when they had worked closely together. Macintyre believes it is "too early to say" whether the relationship can be repaired.

The book concludes that Mr Mandelson can make a successful return to frontline politics. "The future is up to him; but at 45 he has one great fortune. He has a second chance."

A life less ordinary Review: Front

Body odour the key to sexiness

BY STEVE CONNOR
Science Editor

GOOD-LOOKING men and women have the most attractive body odours, according to a study of students who were asked to rate the smell of T-shirts worn by the opposite sex.

The research provides new evidence that pheromones – hormone-like chemicals – are used as subliminal "sexual attractants" in humans.

Scientists at the University of Vienna asked 16 male students and 19 females to sleep in the same T-shirt for three nights to collect any pheromones they might emit. The researchers, Anja Rikowski and Karl Grammer, asked each student to sniff the T-shirts of the opposite sex

KOSOVO CRISIS

Tragedy in the BalkansA massive humanitarian crisis is unfolding in Europe. Hundreds of thousands of people are in urgent need of help – **your help**. Those fleeing Kosovo have nothing and local people trying to help in neighbouring regions are overwhelmed. They and those left behind are in desperate need.

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100-499

Fairport star wakes up to his obituary

BY DAVID LISTER
Arts News Editor

ONE OF THE UK's best known folk/rock musicians woke up yesterday to read in *The Daily Telegraph* that he was dead.

Dave Swarbrick, 58, a violinist and singer formerly with Fairport Convention, had been seriously ill, but is in hospital and on the road to recovery.

The paper ran an obituary of the former Fairport star. It was a generous piece which described Swarbrick as "one of the most influential folk musicians of the 1970s and 1980s". But that was not the point.

Mr Swarbrick had just been transferred from intensive care to a normal ward in Walsgrave Hospital in Coventry, after a

four-week battle with a serious chest infection.

His wife, Jill, said yesterday she had been swamped with consolation calls following the publication of the obituary. "The phone has been red hot this morning with all the musicians who know him ringing up to find out how he died and to offer their support," she said.

A spokesman for *The Daily Telegraph* said yesterday: "I have spoken to Mrs Swarbrick this morning and apologised to her, and we will be printing a full apology in Wednesday's paper."

Dave Swarbrick



Dave Swarbrick can, according to his premature obituary, 'electrify an audience with a single frenzied sweep of his violin bow'.

obituary and Dave will be very pleased with what they have said, but it is unbelievable it has been published now."

Mr Swarbrick has suffered from the lung disease emphysema for some years, and was Germany where he was struck by illness.

His Fairport Convention colleague, Dave Pegg, said he was also inundated with calls, and added: "It is a glowing

his death as 'much exaggerated'. Since then a number of newspapers have made the most feared mistake, including *The Independent* which recently wrongly reported the death of a Serb journalist following reports from Nato.

The mistaken obituary story took a novel twist earlier this month when an Austrian pianist, Friedrich Gulda, faxed a report of his own death to a news agency. Gulda had forbidden any obituaries to be written about him, saying:

"People have thrown so much muck at me while I am alive, I do not want them to chuck it into my grave as well."

But at least Mr Swarbrick now knows that he was thought of as "charismatic and dynamic", and that he could "electrify an audience with a single frenzied sweep of his bow".

To add to the irony, the unnamed obituarist surmises that "Swarbrick would have been happy to die in harness". Maybe so. But he is much happier to be alive.

£1.5bn windfall plan for AA

BY NIGEL COPE
Associate City Editor

RAC decision to sell its motor services division for £450m. This to Cendant, a US group which owns Green Flag, was blocked by the competition authorities last year.

The RAC now has a shortlist of other buyers which could trigger a £33,000 windfall for the members of its Pall Mall Club, though the ordinary roadside members will miss out.

Any deal to de-nationalise the AA would have to be agreed by a two-thirds majority of its voting members. But the relatively small windfall sum may hamper securing that majority.

Ford, the US motor giant that paid £1bn for Kwik Fit earlier this month, might be interested in acquiring the AA. But it is thought the AA is a long way from any deal and is merely exploring its options as competition in the roadside breakdown market heats up.

A spokesman said: "The AA has always kept in mind its prime purpose - to serve the best interest of our members. No decisions have been made.

"It is understandable, following dramatic changes in the breakdown assistance market in the last year, that speculation should arise. But the AA will not comment on speculation." The move follows the



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The romance novelist better known as 'Jessica Stirling' - Hugh C Rae: 'I barely have to think about the gender thing now' John Lindsay

5bn windfall
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By NIGEL COPE
Political Editor

13

TODAY THE best-selling author Jessica Stirling could make history by winning the Romantic Novel of the Year award. She - or rather he - hopes to become the first man to win the coveted award.

Hugh C Rae from Glasgow has spent 25 years in his back bedroom smoking cigarettes and creating historical sagas that have sold 2 million copies.

Banned for decades from revealing his literary identity or speaking to the press, Mr Rae, 63, has been shortlisted for *The Wind From The Hills*, a passionate drama chronicling the lives of two sisters on the Scottish island of Mull in the 1890s. It would be a popular win for a writer whose books are consistently in the top 100 borrowed from libraries and who writes five hours every day, producing a 'Jessica' novel every seven months.

By JACK O'SULLIVAN
Scotland Correspondent

The Wind From The Hills is Mr Rae's 21st appearance on the bookstands as Jessica Stirling and contains such sizzling lines as: 'He pulled the little buttons from her blouse and

tearing at the silk, parted her bodice and lifted her shift.'

Mr Rae is not the only man writing under a female pseudonym, but the device is more commonly used by male pornographers. Among Mr Rae's contemporaries is Emma Blair, the author of *Flower of Scot-*

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our committee called Roger but he has to call himself 'Gill Sanderson'. He writes romances for Mills and Boons in the mornings and war comics in the afternoons.

"There is a feeling among readers that if a man has written the novel, there will be a lot of war and deaths. If they saw a bosomy dress on the front cover and a man's name, they wouldn't read it."

Mr Rae denies that he writes as if he were female. "That's not on. I write for women."

Originally a crime writer, Mr Rae, who lives in Kilmarnock, Ayrshire, moved into romantic fiction in partnership with Peggy Coghlan, a short story writer. However, she retired after seven novels, leaving Jessica to Hugh. He says he has no problem adopting the Jessica persona. "I barely have to think about the gender thing now."

GENDER-BENDING PSEUDONYMS

Iain Blair (right), who writes romantic novels, notably *Flower of Scotland*, under the name Emma Blair.

The Rev Toby Forward, a vicar, who, until rumoured, convinced Virago that he was an Asian woman.

Dominique Aury double-bluffed everyone with *The Story of O*, a masochistic fantasy, which appeared under the name of Pauline Reage but was assumed to have been by a man.

Alexander Trocchi, Scottish-Italian writer from the Beat Age, who wrote erotica in Paris in the Fifties under female pseudonyms.

George Eliot, aka Mary Ann Evans (right), the author of *Middlemarch*.

Emily, Anne and Charlotte Brontë, the literary sisters who called themselves respectively Ellis, Acton and Currer Bell.

WOMEN SMOKERS are more at risk from lung cancer because they are genetically more susceptible to tobacco carcinogens, according to new research.

The findings, published today in the *Journal of the National Cancer Institute*, show women are more likely to contract the main types of lung cancer than men at every level of exposure to cigarette smoke. "This gender difference cannot be explained by differences in baseline exposure, smoking history or body size; it is likely due to women's higher susceptibility to tobacco carcinogens," said the co-author of the study, Dr Stephen Lam, of the University of British Columbia, Canada.

Smoking causes about 120,000 deaths in the UK every year - or one in five of all deaths. The latest government figures show that in 1996 nearly 36,000 people died from lung cancer caused by smoking. The number of women dying this way has more than doubled in the past 23 years, from 6,961 in

1973 to 13,062 in 1996. There has been a decrease in male victims during the same period, from 29,463 to 22,652.

Previous British research has shown that nearly twice as many women as men under 65 are diagnosed with small-cell lung cancer, the most dangerous form of the disease.

Experts believed that the differences between men and women could be explained by women smoking in a different way to men, taking shorter, sharper inhalations or inhaling more deeply because they are more likely to buy "light" cigarettes. However, the new research shows the outer lung cells of women are more susceptible to tobacco carcinogens.

Dr Mike Pearson, a spokesman for the British Thoracic Society, said: "This is another step to understanding the gender differences. There is definitely a genetic factor involved because only a proportion of

men and women who smoke are susceptible to cancer. It is perfectly possible this genetic factor can also explain some of the differences between the sexes. Women's lungs are also smaller, which means they get more particle deposits."

The study of 400 men and women who had been smoking a pack a day for 20 years also found that the traditional way lung cancer is detected, by measuring breathing difficulty, was not suitable for women. The findings showed women developed more cancers in the outer parts of the lung, which does not have such an effect on breathing ability, while men were more likely to develop cancer in the large central airways.

Scientists have solved one of the dilemmas in treating prostate cancer: when to operate. Researchers from Stanford University have devised a method of predicting which patients are likely to respond well to surgery and which ones are better off seeking alternative treatments.

Women more at risk from lung cancer

By CHERRY NORTON
Health Correspondent

WOMEN SMOKERS are more at risk from lung cancer because they are genetically more susceptible to tobacco carcinogens, according to new research.

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'UK has two-speed economy'

By DIANE COYLE
Economics Editor

THE HEARTLANDS of manufacturing in Britain face a jobs crisis, the Trades Union Congress warns in a report today, with the constituencies of the Prime Minister and Chancellor of the Exchequer among the hardest hit.

The North-east as a whole

has seen the biggest increase in claimant unemployment in the past six months. Within the region, the Prime Minister's constituency, Sedgefield, has

seen a rise in unemployment from 4,300 to just over 13,000 in February. The regional breakdown of the figures by the TUC shows a manufacturing divide with rising unemployment in the North. Constituencies across the services-dominated south of England have not suffered any increase in unemployment.

John Monks, TUC general secretary, said: "Britain is now a two-speed, two-nation economy. Manufacturing is moving into recession and the service sector continuing to expand."

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'Federast' alert as Europhiles seen lurking on Continent

IN THE Commons Robin Cook made another of those surreptitious advances in the Government's continuing game of Grandmother's Footsteps over ground troops. When Grandmother is looking Mr Cook is as immovable as a statue, holding to the resolute yet prudent posture he adopted on the day the first bomb dropped. No change in Nato conditions ("I am now so familiar with them they are etched in my brain like the Lord's Prayer", said Mr Cook, rather grandiosely) and no question of troops fighting their way into Kosovo. On the other hand, he added yesterday, such a statement should not rule out

"putting in troops at a point where there is no organised opposition". But what exactly does "organised opposition" mean and how might matters be affected by Mr Cook's insistence that there's also no question of President Slobodan Milosevic "having a veto" on Nato intentions for Kosovo? Has he moved or hasn't he? Grandmother can't quite be sure - all she knows is that he looks a lot closer every time she turns round.

Understandably, perhaps. Michael Howard, the Tory spokesman on foreign affairs, was still asking for "clarity" from the Foreign Secretary but his back-

benchers had decided to take a day off from scepticism about the war and indulge themselves in that most delicious of Tory recreations, Eurobashing. There were several questions about the reform of the European Commission and more than one of them settled on Romano Prodi as a very satisfactory new whipping boy. Julian Lewis was anxious that Eastern European countries that had only recently escaped the heavy grip of the Warsaw Pact would be lured into immediately surrendering their new liberties to another monolithic power bloc - that the Iron Curtain would fall only for the Red Tape Rampart to rise

up. John Bercow put it in even bolder terms. Why couldn't the Government admit what is openly acknowledged in Europe, he de-

manded, before going on to out Mr Prodi as a "committed federast".

Mr Prodi, it seems, has been siding up to naive young democracies, of-

fering them sweets and computer

games if they will just go round to

his place and let him remove their

sovereignties.

In the Lords, hereditary peers

opened the first day of three days

of debate on the House of Lords Bill

with an eleventh-hour conversion

to the popular will. Only last week

their noble Lordships demon-

strated the true value of the hereditary

principle by endorsing the incred-

ible notion that the sexual desires

of 16-year-olds are in some way sus-

ceptible to parliamentary legisla-

tion. Yesterday they confirmed their

detachment from anything recog-

nisable as the real world with a com-

munal fantasy that their abolition

was causing waves of unrest among

the common folk. "The people don't

want it," said Lord Strathclyde, and

his wishful theme was taken up by

Lord Campbell of Alloway, sup-

porting an amendment that would

call for a referendum on the Gov-

ernment's proposals.

"The people don't want to put to

sea in a sieve with any old owl or

pussycat," argued Lord Campbell

- in one of the more lucid passages

from a frankly baffling speech - and

he concluded that the Government

would press through its legislation

against "the wishes of the people".

But what people could he conceiv-

ably be talking about? Was he, per-

haps, using the phrase as a public

schoolboy of the Thirties might

say "my people", to refer to his im-

mediate family? Or did he have in

mind the staff and beaters at his

country house? Anybody, surely, but

the people talked to by Mori not so

long ago, 80 per cent of whom in-

dicated their satisfaction at the

imminent demise of the hereditary

principle. It really is time to wake

up and smell the Earl Grey, your

Lordships.

Hague strikes out for caring Conservatism

WILLIAM HAGUE broke with the Thatcher era last night by declaring that the Conservative Party had to offer more than "free-market solutions". Mr Hague gave his full support to his deputy Peter Lilley's controversial call for the party to win back the public's confidence by accepting that the free market had only a limited role to play in improving health, education and welfare.

Mr Lilley's attempt to define a new "caring Conservatism", made in a separate speech last night, has angered some Shadow Cabinet colleagues. They complain they were not consulted about the apparent U-turn, and that the shift has put the leadership at odds with Ann Widdecombe, the health spokeswoman, and Iain Duncan Smith, the social security spokesman, who have both raised the prospect of greater private-sector provision.

At a dinner to mark the 20th anniversary of Baroness Thatcher's election as prime minister, Mr Hague said: "It is a great mistake to think that all Conservatives have to offer is solutions based on free mar-

POLICY
BY ANDREW GRICE
Political Editor

kets." The Tory leader called for a new approach which applied the party's enduring values to the public sector. "We can offer a real transfer of power away from Whitehall to schools and hospitals, patients and patients," he said.

He told Lady Thatcher that when she declared the National Health Service was "safe in our hands," she was attacked by critics who did not believe her. "Today we are being attacked by critics because they do believe us," he said.

Tory sources insisted Mr Hague was not abandoning Lady Thatcher's legacy, saying what she did for Britain in the Eighties was right, but events had moved on. They denied a U-turn on public services, saying Mr Hague was merely trying to kill off the "damaging and wrong perception that the Tories would sell off the hospitals".

In her speech at the dinner in London, Lady Thatcher defended the "transformation" of Britain during her 11 years as prime minister. Jokingly playing down the idea that she was responsible, she said: "All that we did was to create the right framework: it was the British people who did the rest."

Lady Thatcher also paid a rare tribute to Sir Edward Heath, her predecessor as Tory leader, with whom she has barely spoken since she ousted him in 1975. She described him as "one of Britain's most forceful and effective prime ministers".

Meanwhile, Lady Thatcher attacked the Blair government's "third-way" philosophy but without criticising Tony Blair personally. She said that Britain ought to be doing "much better" given Labour's economic inheritance.

Raising £40m of extra taxation by stealth, as Gordon Brown is planning, is evidence that behind the New Labour mask, Old Socialism smirks," she said.

William Hague last night committed the Tories to leading "the national campaign to save the pound" at the next general election. He insisted that a single European currency was not inevitable.

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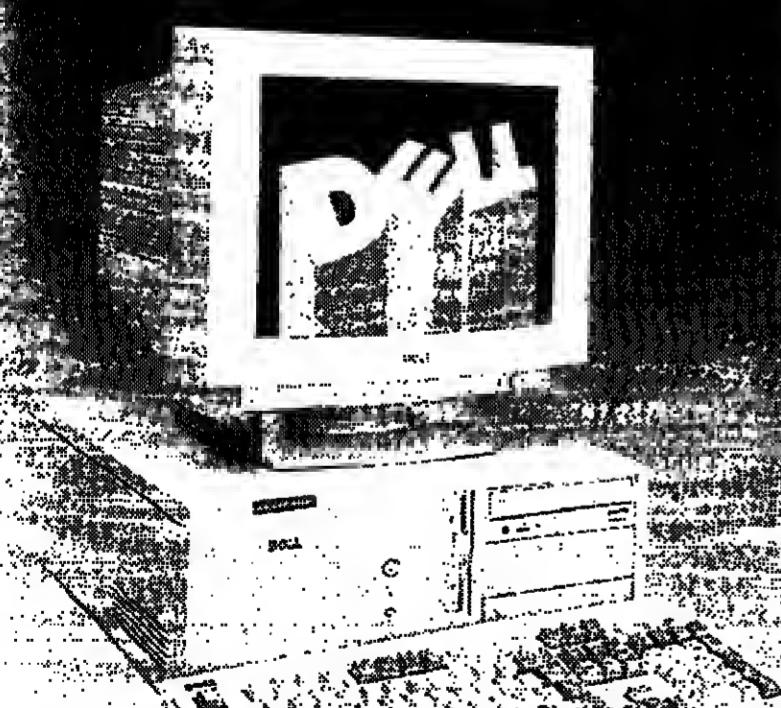
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England must be separate, says SNP

BY PAUL WAUGH AND
FRAN ABRAMS

THE LEADER of the Scottish National Party, Alex Salmond, calls for the break-up of the United Kingdom today, suggesting that England should become an independent nation within its own parliament.

Mr Salmond, who has until now played down the independence issue in the Scottish Parliament campaign, said separate parliaments north and south of the border were "the only logical path" for both countries.

By implication, Wales would also become a sovereign state and the United Kingdom would no longer exist.

In an article in today's *Punch* magazine, he also suggested that all Scottish MPs should be barred from voting on English affairs in the House of Commons until independence had been secured.

After days of concentrating on health and spending, Mr Salmond finally put the state of the Union firmly on the agenda with his claim that English independence was "best for England" as well as the Scots.

"With Scottish independence, England would lose a sturdy lodger and gain a good neighbour. With Scottish devolution, the UK and England gain a problem, confirming my belief that independence for England is the only logical path... because it is best for England if England takes control and responsibility for its own affairs," he said.

The SNP has long observed a self-imposed rule of refusing to vote on solely English matters in the Commons and a similar edict should apply to all parties, Mr Salmond said.

The independence issue moved centre stage as it emerged that the parties have been warned that they must declare all financial help they receive, including gifts and

Donations direct to constituents amounted to £2,375 for Labour, £12,300 for the SNP and £13,000 for the Tories.

BY TONY HEATH AND
BARRIE CLEMENT

PLAID CYMRU, the Welsh nationalist party, looks set to profit at the expense of Labour in the critical Mid and West Wales battleground, according to an opinion poll last night.

Support for the nationalists in the largely rural area, which covers eight Westminster constituencies, is said to have

VOTING FOR A NEW BRITAIN



Heather Harrison (left) has not yet decided how to vote; Helen Worthington expects to support 'whoever offers the best deal' Rob Stratton

'Assembly could be an awful failure'

VOTERS' PANEL: LLANDOVERY

David Butler, 35,
Salesman.
Labour

"What are the Assembly's priorities? In rural Wales farming is top. I hope the Assembly can make a better job of handling the BSE crisis than the last two governments did."

Heather Harrison, 56,
Tourist officer.
Undecided

"I'm not Welsh but everyone who lives in Wales should vote; I hope they will. I haven't made up my mind how to vote - I'll look at what's on offer."

Helen Worthington, 40,
Craft-centre supervisor.
Plaid Cymru

"I expect to support whoever offers the best deal for the economy of rural areas like ours. In years gone by, most cash and attention has been directed to the big towns in South Wales and the industrial North-east."

Barrie Stone, 61,
Estate agent.
Conservative-leaning

"I'm all in favour of politicians who want to free up the markets and lift

WITH JUST 15 days to polling day, enthusiasm has yet to break cover in Llandovery. The talk in this mid-Wales market town is more about rugby successes than the historic elections to the Welsh Assembly.

A close fight between Labour and Plaid Cymru is looming. A big Labour win would paradoxically undermine the chances of Alun Michael - Tony Blair's choice for First Minister - sliding in on the 11th from which 20 of the 60 Assembly members will be drawn.

A Plaid Cymru victory in the constituency would ensure his success from the "top-up" list,

the burdens placed on business. In fact I'd like to see 90 per cent less government. But the Assembly looks like another tier."

Simon Sherrard, 59,
Hotel owner.
Conservative

"It's jobs for the boys. Half the Welsh people didn't vote at all in the 1997 referendum. I voted 'no' but even so I will vote next month. I think it's a bad thing to have the same party in office in London and Cardiff."

Roland Davies, 70,
Retired teacher.
Undecided

"It could be very serious if there were moves to detach Wales from the rest of Britain. Separatism is not for us. The Assembly must commit itself to keeping Wales as part of the United Kingdom."

Cynthia Davies, 70,
Wife of Roland Davies.
Undecided

"All the politicians say that they are anxious to foster the Welsh language and culture. That is a very important part of devolution and it must have priority."

Fr Nicholas Jenkins, 56,
Priest.
Anything but
Labour

"There is a paradox. The Assembly could be a very good thing for Wales, or it could turn out to be a dreadful failure. We don't want a repeat of all those old South Wales Labour Councils."

Janusz Norejko, 48,
Farmer.
Will not vote

"There's not enough information coming out to tell people what the Assembly can do. The rural

economy is in deep trouble. I think it [The Assembly] could be a waste of time."

Huw Lewis, 35,
Builder.
Labour-leaning

"It seems like another world when you live in rural Wales, even though Cardiff isn't really that far away. If voters turn out strongly enough maybe the Assembly will pay attention to our problems."

Josephine Lewis, 34,
Wife of Huw Lewis.
Labour-leaning

"I'm concerned that our sons get a good education. There's a split between English and Welsh language schools and... children are divided up. That's one thing the Assembly should look at closely."

Billy Jones, 43,
DIY shop owner.
Undecided

"I think we were better off before the Assembly came along. As far as I am concerned it doesn't seem to offer very much - judging by what little information there is about it. I dare say I'll vote."

TONY HEATH

CAMPAIGNS
BRIEFING

15 DAYS TO GO

Lib Dems 'soft on drugs' LIBERAL DEMOCRATS walked into the familiar charge of being "soft on drugs" after the Scottish party leader, Jim Wallace, said he supported the idea of a Royal Commission to look at all aspects of drug abuse, including the likely effect of decriminalisation of cannabis. David McLetchie, leader of the Scottish Conservatives, said it was typical of the "soft" Liberal Democrat approach. "Raising this issue at this stage is disastrous and divisive," he said.

Unions back tax rise THE HOLYROOD Parliament should be prepared to use its tax-raising powers to boost public services, the Scottish Trades Union Congress agreed, contrary to Labour's pledge not to raise taxes in the first four-year term. Labour would spend an extra £10m on cancer centres in Glasgow, Aberdeen, Dundee, Inverness and Edinburgh, said the party's health spokesman, Sam Galbraith.

Stand and deliver THE LIBERAL Democrats yesterday floated the novel idea that ministers in the Welsh administration should receive "promise-related pay". Michael German, the party's Welsh leader, said ministerial earnings should be tied to the degree to which they met their pledges. The Tories responded that, on this basis, Mr German would be "poverty stricken".

Call for news watchdog A BROADCASTING watchdog to monitor the coverage of Scottish news was called for by Canon Kenyon Wright, a veteran home rule advocate and one of the few independent candidates in with a chance of winning a seat at Holyrood.

Quote of the day "IF IT [Independence] was measured in purely money terms you might as well hand the prize to Alex Salmond." The Scottish Conservative leader, David McLetchie, basically adding he was still strongly opposed to independence.

Plaid Cymru gains from Labour in key rural battlefield

BY TONY HEATH AND
BARRIE CLEMENT

These figures in an NOP poll for H1V refer to voting intentions for first-past-the-post candidates. When respondents were asked how they would use their second vote on the parties' proportional representation (PR) lists, Plaid Cymru remained steady at 31 per cent, with Labour on 32 per cent. The Liberal Democrats' share rose from 12 to 15 per cent.

on 15 per cent and the Liberal Democrats on 17 per cent.

The figures suggest the nationalists may take the marginal Carmarthen East seat from Labour, allowing Alun Michael, Secretary of State for Wales, to be elected from the "top-up" PR list. If Labour retains the seat, his chances will disappear.

The 1,500 people polled were also asked to name the party leaders they believed would be the most effective "prime minister". Dafydd Wigley, Plaid Cymru leader, was top with 48 per cent. Alun Michael scored 32 per cent, Rod Richards (Tory) 14 and Mike German (Liberal Democrat) 6.

But while there was encouraging poll news for Plaid Cymru, internal divisions over independence led to the establishment of a new grouping of independent nationalists.

Two members of Gwynedd County Council, who want Wales to go it alone, have formed a new hardline alliance

and have been returned unopposed. Owain Williams and Evan Hall Griffith believe that a number of colleagues in North Wales will join them. They say there is considerable disaffection with the assertion by Mr Wigley that his organisation had "never ever" supported independence.

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ID chips for pets to fight cruelty

EVERY DOG in Britain could be fitted with an identity microchip under a proposal from the RSPCA being considered by the Government.

The Government's response has been "reasonably positive", the society said yesterday, when it released its annual figures on animal cruelty, showing a 17.5 per cent rise in convictions in 1998 from 1997.

The RSPCA believes the remarkable increase is more due to a rise in public awareness gained from programmes such as Rolf Harris's *Animal Hospital* than an absolute increase in cruelty, but it still highlighted large numbers of what it called "barbaric and rehased" cases of animals being ill-treated.

Yesterday the society called for the microchipping of all animals where suitable, a move it believes would greatly diminish cases of cruelty and neglect as the silicon chips, which are the size of a cooked grain of rice and can be harmlessly inserted under the skin, would enable owners to be traced without fail. The chips can be fitted to virtually all animals "from a mouse to a camel", as well as to reptiles and birds, the char-

BY MICHAEL McCARTHY
Environment Correspondent

ity's communications director, John Rolls, said.

In some of the worst cases the RSPCA highlighted yesterday, including that of a dog hung from a railway bridge, the owners had not been traced.

At the moment there is a purely voluntary scheme under which pets microchipped by a vet for a fee of about £20 are registered on PetLog, a database run jointly by the RSPCA and the Kennel Club. Take-up has so far been modest, covering about 470,000 of Britain's 6.9 million dogs and 270,000 of eight million cats.

"To have every pet microchipped would be the ideal situation," said Tony Crittenden, the RSPCA's chief inspector.

Government sources confirmed yesterday that talks are taking place with several interested bodies about "the permanent identification of dogs", by microchipping or tattooing.

"The key question is whether or not it should be compulsory," a source said. "The Government has no fixed views." A working group on the issue, chaired by the Environment minister Alan

Meale, will have its first meeting in a month's time.

Last year the RSPCA said, there were 3,114 convictions for animal cruelty in England and Wales, 17.5 per cent up on the 1997 figure of 2,650. Prison sentences were imposed on 73 people. The society received 1,558,131 telephone calls - one every 20 seconds - 11 per cent up from the 1,397,516 calls it

received the year before. "The increases are partly due to the fact that we have more inspectors than ever before, but we also think programmes like *Animal Hospital* make the public more aware of our work, and more likely than ever to report cruelty to us," Mr Crittenden said.

The North-east headed the regional animal cruelty table for the fifth year running, with 738

convictions last year, far more than any other region. Also noticeable in the new statistics was a large jump in cruelty to farm animals; there were 191 cases of cruelty to cattle last year as against 44 in 1997; 448 cases of cruelty to sheep, against 150; and 210 cases of cruelty to pigs, up from 39.

These figures must in some way reflect the current farming

crisis, although we believe that 99 per cent of farmers are very concerned with their animals' welfare," Mr Crittenden said.

Cases of abuse included a South American iguana suffering from multiple abscesses and mite infestation abandoned among a flock of sheep in Somerset; three greyhound puppies who nearly starved to death and only survived by eat-

ing the bodies of their dead sib-

lings; a cat scalped and given multiple fractures from kicking by its owner who was later sent to jail; a flock of sheep found dead and dying as their farmer owner celebrated his wedding day; and the dog hung from a bridge in the Leicestershire town of Loughborough.

Leading article, Review page 3

Lioness saved from death row

JODY THE lioness thought to have contracted FSE, the feline form of mad cow disease, has been reprieved from death row at Edinburgh Zoo.

The management change of heart followed a vigorous campaign to save one of the zoo's star attractions.

The decision may save big cats thought to be infected with the deadly disease in other zoos and safari parks. The

BY JACK O'SULLIVAN
Scotland Correspondent

breakthrough came as animal rights campaigners began a 24-hour vigil yesterday outside the zoo. Officials announced that plans to administer a lethal injection to the eight-year-old African lioness had been scrapped.

They had feared that Jody had been infected by her 12-

year-old partner Lumpy. His post-mortem examination last December revealed traces of FSE, Feline Spongiform Encephalopathy.

Zoo officials were worried that Jody could be a risk to healthy lions, so they confined her to her own enclosure.

They had argued that long-term isolation for lions, who prefer to be in groups, was cruel and so it would be kinder

to end Jody's life. But campaigners from Advocates for Animals had claimed that the zoo was trying to find space for three Asiatic lions due to arrive at the zoo this summer.

The public protest, supported by among others, the broadcaster Jimmy Savile and the anthropologist Desmond Morris, appears to have led to a compromise.

A zoo spokeswoman said the

decision to reprise Jody followed advice from the Ministry of Agriculture, Fisheries and Food that there was no proven danger of Jody transmitting FSE to other lions.

"This is brilliant news," said the spokeswoman, adding: "We can now look for a home for Jody in another collection, where she can be with other lions without presenting a danger to them."



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Man in court on 14 sex charges

BY IAN BURRELL
Home Affairs Correspondent

A FORMER fairground worker was remanded in custody when he appeared in court yesterday to face 14 charges of sexual assaults on adults and children.

Sidney Cooke, 72, appeared before a judge at Reading Crown Court on charges including rape and indecent assault, alleged to have taken place between 1972 and 1981.

Neil Moore, for the prosecution, told the court: "This case concerns allegations of a sexual nature ... principally upon four children. There were eight complainants in all. The offences started in London and moved to Twyford in Berkshire. They went on to Kent, Hertfordshire, and finally the north-east of England. Indecent assaults were on males and females."

Mr Cooke is charged with indecently assaulting a minor on three separate occasions between 1972 and 1976 at Battersea, London; Twyford, Berkshire; and Canterbury, Kent. He is also charged with assaulting the same boy in Washington, Tyne and Wear, between 1978 and 1980.

He is further charged with a serious sexual assault on another minor on two occasions between 1972 and 1976 at Battersea and Twyford. He faces a further charge of indecently assaulting that boy in Berkhamsted, Hertfordshire, between 1976 and 1977, and with raping an 18-year-old girl on separate occasions in Canterbury in 1976, and in Berkhamsted between 1976 and 1977.

Mr Cooke is facing another five charges of serious sexual assault, alleged to have taken place between 1972 and 1981.

Patricia Lees, appearing for the defence, told Mr Justice Bell that the court was not in a position to arraign Mr Cooke as further legal discussions were essential before the case could continue.

He was remanded to a date to be fixed, when an application to move the hearing from Reading Crown Court to another venue will be heard.

Woodhead should resign or be sacked, says MP

BY JUDITH JUDD
Education Editor

A SENIOR Labour backbencher called on Chris Woodhead, the Chief Inspector of Schools, to resign or face the sack yesterday. Derek Foster, joint chairman of the House of Commons Education and Employment Select Committee, made his call as opposition to Mr Woodhead gathered pace.

MPs have been reluctant to attack the chief inspector after a series of allegations about his private life, but 16 have now signed an early day motion demanding Mr Woodhead's immediate resignation.

Mr Foster argued that the allegations, which stem from an affair Mr Woodhead had with a young woman, meant the chief inspector was no longer able to do his job effectively.

His remarks show that ministers' efforts to put an end to the debate about Mr Woodhead's future have failed. David Blunkett, the Secretary of State for Education, tried to draw a line under the controversy last week when he said in a written parliamentary answer that

there was no evidence Mr Woodhead started the affair with Amanda Johnston while she was still a sixth-form pupil at the school where he taught.

Reports about the chief inspector's private life first surfaced more than two months ago when *The Independent* revealed Mr Woodhead had told a student audience that relationships between sixth-formers and teachers could be "educative and experiential".

Mr Woodhead says that he and Ms Johnston started a nine-year affair after they left Gorham School in Bristol in the 1970s. However, Cathy Woodhead, the chief inspector's former wife, says he is lying and the affair began while Ms Johnston was still a pupil at the school.

Mr Foster told BBC Radio Four's *Today* programme that Mr Woodhead was a "failing chief inspector". Mr Blunkett, was a kind man, he said, but the

time had come to sack Mr Woodhead. Alternatively, the chief inspector "should have the decency to offer his resignation".

Tomorrow, head teachers' leaders will meet to consider referring to the Director of Public Prosecutions allegations that Mr Woodhead lied under oath about the affair. David Hart, the general secretary of the National Association of Head Teachers, is putting forward the proposal because he believes the Government is trying to "sweep the matter under the carpet".

Mr Foster accepted Mr Woodhead's enemies were out to "get" him, but said that he would never have appointed him - on educational grounds. He said: "He (David Blunkett) should sack him. Or indeed, the proper thing that should happen is that Chris Woodhead should have the decency to resign."

■ Fifty-three per cent of adults want more grammar schools, according to an NOP poll published yesterday. But there is a clear split between the generations, with only 44 per cent of under-35s supporting the proposition compared with 68 per cent of over-35s.

TV news to reflect devolution

BY PAUL McCANN
Media Editor

THE BBC unveiled a new-style *Six O'Clock News* yesterday that is intended to deal with the separate news agendas of post-devolution Britain.

The new bulletin, which will be launched on 10 May and hosted by Huw Edwards, a Welshman, will have separate headlines for Scotland, Northern Ireland and Wales at the start of the programme, and will have regional "op-outs" from around the country at 6.15pm.

The changes are intended to deal with news from the Scottish Parliament and the Welsh and Northern Ireland assemblies. At 6.30pm, Mr Edwards will hand over to the regional news

rooms around England and the three Celts nations, who will return to the London studio at 6.35pm for a summary of the national headlines before the end of the programme.

"There has been a metropolitan bias in news coverage in the past," said Mark Poppes, editor of the new *Six O'Clock News* yesterday. "And now there are new institutions which we have to take account of. We have to be much more sensitive about the way different stories will play in Scotland, Northern Ireland and Wales."

The new-style news will also carry a sports round-up presented by Helen Rollason, the BBC presenter who has been

fighting cancer, and for the first time the *Six O'Clock News* will have its own weather forecaster in the studio.

The "virtual" blues, which has been in use for six years, is to be scrapped for a set that will be "warmer and more inclusive", said Mr Poppes, but the colours and designs are being kept under wraps until the programme's new look has been finalised.

He added: "Research has told us that viewers rate us for trust and authority, but we need to become more relevant, inclusive and warm. But [that] doesn't mean we will dilute the journalism and professionalism of the BBC."



The Labour MP Derek Foster (left) says the allegations make it difficult for Chris Woodhead to do his job

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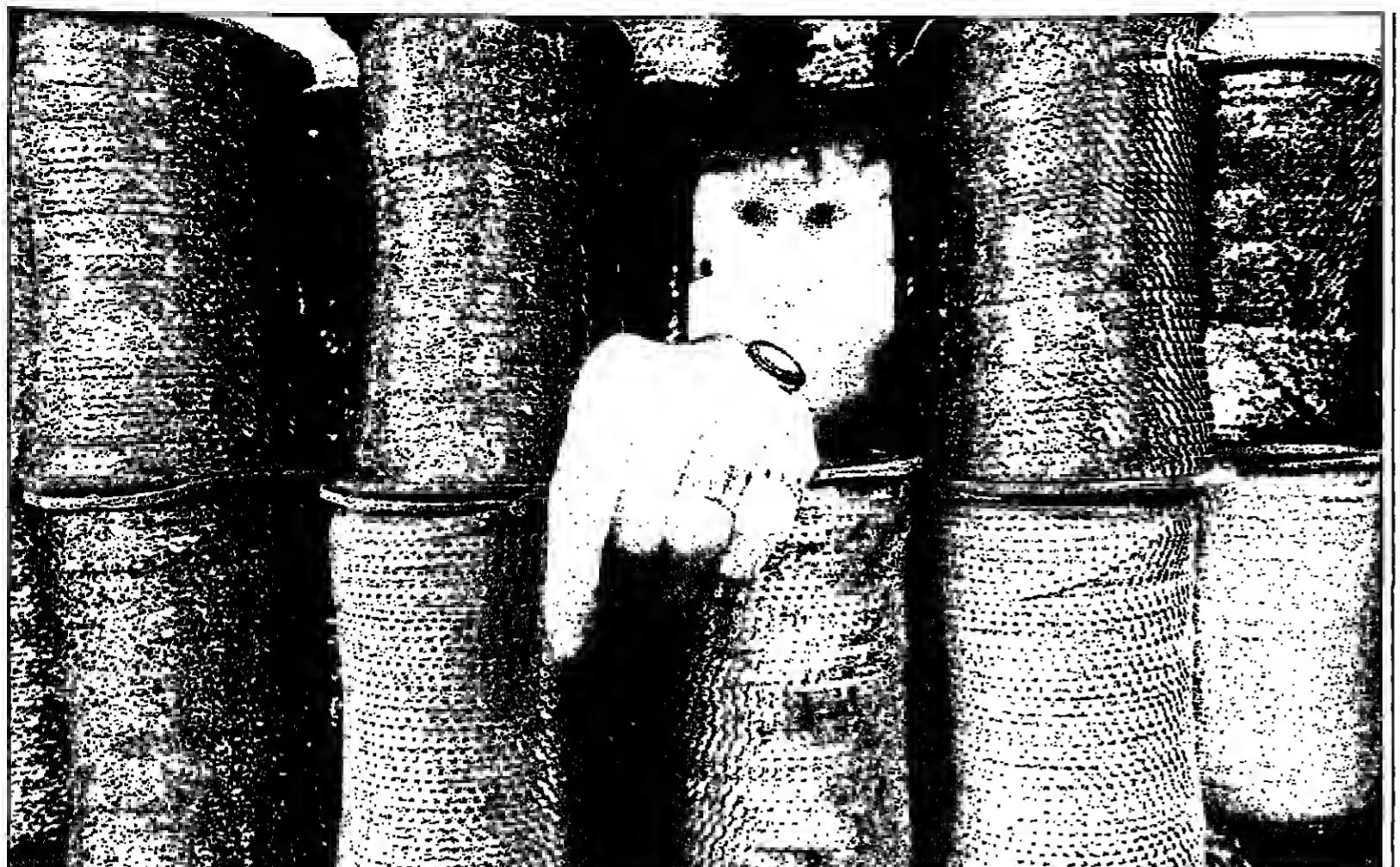
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A worker at Brody International in London, Britain's only sequin maker, which warns of a shortage of glitter for millennium festivities. The family business, which includes Armani among its customers, says it will work round the clock to cope with demand

Andrew Buurman

British teens are 'Europe's delinquents'

TEENAGERS FROM the British Isles take themselves less seriously than those in the rest of Europe, according to research.

A study of children from five big cities found that those from Newcastle and Dublin were the most likely to use cannabis, shoplift, fight in the street and vandalise buildings.

"Teenagers from different cities seem to have quite different outlooks on life. Those in Continental Europe take themselves and their futures far more seriously," said Aoife Brinkley, of the psychology department at Trinity College, London. She presents her findings today at a meeting of the Royal College of Psychiatrists.

By CHERRY NORTON
Social Affairs Correspondent

Newcastle, 7 per cent had taken amphetamines, 6 per cent had sniffed glue and 5 per cent had tried "magic mushrooms".

Children from Newcastle and Dublin were also found to be more aggressive and showed more signs of delinquent behaviour. Nearly 50 per cent of those in Dublin had fought in public and 33 per cent in Newcastle, compared with 11 per cent in Rome and 25 per cent in Groningen. They were also more likely to write graffiti - over 50 per cent in Dublin and over 33 per cent in Newcastle, compared with less than 25 per cent in the continental cities.

The teenagers were asked about smoking, drinking and drug-taking as well as their attitudes to substance use and how they spent their free time.

One in 10 surveyed had tried cannabis and one in 10 had smoked it in the previous four weeks. But in Newcastle and Dublin, the number smoking cannabis was one in seven. Teenagers in Groningen and Rome were the least likely to have tried cannabis, with less than one in 20 saying they had smoked it in the previous four weeks. The findings showed that boys smoked cannabis at a younger age than girls. A third of the male users and a fifth of the female users had tried it by the time they were aged 12.

Teenagers in Newcastle and Dublin were also more likely to have tried "harder" drugs. In

Traditionally, the rate of substance use among boys is double that among girls but the findings of this survey showed there was no difference between the sexes, although boys started at a younger age.

The researchers believe the differences in attitudes and use of drugs should be taken into account when designing policies and strategies to curb drug abuse.

"The importance of effective prevention strategies in reducing the demand for psycho-active substances is recognised and acknowledged in all states of Europe," Ms Brinkley said. "It does seem that in countries where they accept children are going to use drugs and focus on teaching them not to misuse them, teenagers are less likely to do so."

Women lifers serve longer than men

WOMEN GIVEN life sentences spend on average two years longer in jail than male lifers despite evidence that they are less likely to re-offend, campaigners said yesterday.

A report published by the Howard League for Penal Reform states that in addition to longer sentences, women lifers have to cope with additional stress caused by fears about their fertility and guilt over their inability to care for children and relatives.

The report criticises the Prison Service for offering women inmates gender-stereotyped training in courses such as needlework and hairdressing. It also deplores the fact that many women prisoners rely on second-hand clothing and underwear.

Recent figures published by the Home Office showed the number of women jailed for life has risen by 85 per cent in a decade to 137 in 1997.

In common with many male lifers, women are serving well over the length of time set as their "tariff" by the Home Secretary, the report found. Figures for 1997 showed that women lifers served 16.7 years in custody on average before being released on licence compared with an average tariff of 12 years. Men served an average of 14.3 years before release.

The report said the length of time served above their tariff was "particularly cruel" as

BY IAN BURRELL
Home Affairs Correspondent

women, many of whom are sentenced for "domestic" murders, had such a low reconviction rate. None of the 52 women lifers freed since 1981 has been reconvicted of a serious offence.

The report said there was little training on offer to women lifers to help them to cope with life outside prison.

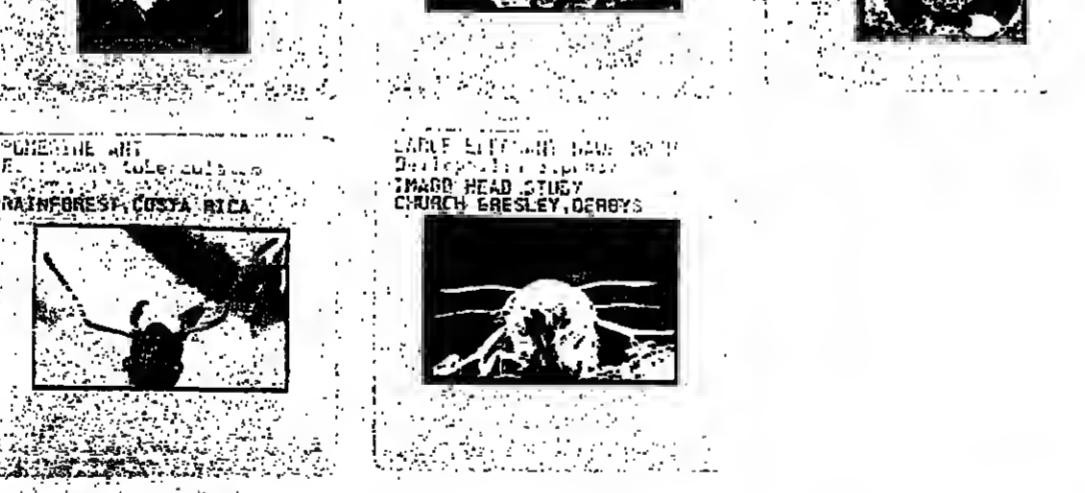
Although inmates were allowed to wear their own clothes, many bad so little money they had to rely on hand-outs from charity, even to the extent of wearing second-hand underwear, which did little to boost their self-esteem.

The Prison Service said it was already considering the issue of prisoners serving longer than the period of their tariff after the problem was highlighted in a recent joint report by the prison and probation service inspectors. However, issues such as length of tariff set and the imposition of mandatory sentences were a matter for the Home Office.

A spokesman said the Prison Service had recognised female inmates had different needs by establishing, more than a year ago, the Women's Policy Group to address their requirements across the service.

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Russia trades Chechens for its hostages

CHECHENS ON remand in Russian jails are being freed in return for Russian hostages and slave labourers in the bandit-infested republic.

One recent swap involved a 31-year-old Chechen, Artur Denisultanov, in prison awaiting trial in St Petersburg on kidnap and extortion charges, which carry a 10-year sentence.

His family paid a \$16,000 ransom for him and he was exchanged for Sergei Leontyev, a 19-year-old Russian soldier, abducted last year and sold into slavery in Chechnya.

Mr Leontyev says he spent much of his captivity digging pits and was sold at least three times. "The idea was a brilliant one," his mother, Irina, told *The Independent*. "I would never have seen my son again. They would have shot him as soon as he became disabled."

Vyacheslav Izmailov, a former Russian army major, organised PoW exchanges in Grozny at the end of the republic's 21-month war with Moscow. He says he arranged two swaps - two Russian captives for two Chechens in Russian prisons.

He got to know the main Chechen hostage-takers. "They are bandits and murderers, and if we didn't do this [exchanges] the captives would end up like the ones who were beheaded," he says, a reference to the four telecommunications workers, three Britons and a New Zealander, murdered in the republic last year.

Russian officials justify the swaps by citing a 1997 resolution by the Russian Duma, parliament's lower house, which encourages exchanges for Chechen prisoners who were either on remand (and theoretically required to stay in the area) or who had served two-thirds of their sentences.

The swaps raise the risk of fuelling Chechnya's flourishing hostage racket. Both Rus-

BY PHIL REEVES
in Moscow

sians and Chechens have an extra incentive to imprison one another. Kidnapping and multi-digit ransom demands have reached epidemic proportions since the war.

Now they are becoming Chechnya's main source of hard currency, and Chechnya's hapless President, Aslan Maskhadov, has been able to do nothing about it.

Officials in Moscow say at least 250 Russians are being held in the republic. Nikolai Ivanov was dispatched by the Russian authorities to Chechnya in June.

He disappeared shortly before the end of the war. His mother is undeterred by the dangers of visiting Chechnya, and she has made three trips there to trace him. Four times Chechens have assured Mrs Ivanova her son is alive and working as a slave for a Georgian gangster.

Although no admirer of swaps, she would go through with it to see her son again. But she has no proof to show he is still alive, no photograph or video.

"Without direct proof, the authorities won't consider it," she said. "But I will go on trying. I will continue this to the end."

All the signs suggest that the hostage racket will continue. This week Boris Yeltsin said that he would meet President Maskhadov to talk about Chechnya's status, but urged the republic to abandon its claim for independence.

"We will talk about how to live on," said Mr Yeltsin, whose decision to launch a war on Grozny cost tens of thousands of lives. "What is important is that we gave Chechnya time to realise that it cannot live inside Russia without Russia."

Such words - given the republic's lawlessness, internal feuding and resentment of Moscow - offer little hope of bringing stability to this cauldron of the Caucasus, for its citizens, or its slaves.

Mr Ivanov, a tax police colonel, initially the Chechens wanted \$500,000 for him. But the Russians devised a plan to exchange him for a Chechen, who had been detained after

Maskhadov: Powerless

1996 in the vain belief that he would be able to set up a tax police department.

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Vigil planned for Tiananmen

BY TERESA POOLE
in Peking

A GROUP of mainland dissidents has called on ordinary Chinese people to mark this year's tenth anniversary of the 4 June Tiananmen Square massacre by lighting candles, wearing mourning clothes and giving up an evening's entertainment. An open letter signed by 16 activists also urged people not to answer their phones and to set their pagers to respond to any call with the message: "Silence for mourning."

"One small stick of candle light perhaps doesn't count for anything, but tens of thousands of candle lights will shake the

several bus bombings in Moscow.

The kidnappers "didn't consent for a long time", says Colonel Ivanov. "But our people showed the Chechens to his family to awaken them emotionally. The family began to press the head of the gang to consent. Finally, he did."

Not everyone is so lucky. Antonina Lapponina, a 52-year-old vet from Moscow, is convinced her 21-year-old son, Misha, a conscripted soldier, is still alive.

He disappeared shortly before the end of the war. His mother is undeterred by the dangers of visiting Chechnya, and she has made three trips there to trace him. Four times Chechens have assured Mrs Lapponina her son is alive and working as a slave for a Georgian gangster.

Although no admirer of swaps, she would go through with it to see her son again. But she has no proof to show he is still alive, no photograph or video.

"Without direct proof, the authorities won't consider it," she said. "But I will go on trying. I will continue this to the end."

All the signs suggest that the hostage racket will continue. This week Boris Yeltsin said that he would meet President Maskhadov to talk about Chechnya's status, but urged the republic to abandon its claim for independence.

"We will talk about how to live on," said Mr Yeltsin, whose decision to launch a war on Grozny cost tens of thousands of lives. "What is important is that we gave Chechnya time to realise that it cannot live inside Russia without Russia."

Such words - given the republic's lawlessness, internal feuding and resentment of Moscow - offer little hope of bringing stability to this cauldron of the Caucasus, for its citizens, or its slaves.

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Firemen in the Florida Everglades tackling a brush blaze that has burnt 100,000 acres and shut the main east-west highway
Reuters

Killer faces chair saying jailer gave him drugs

THE CRIMES committed by Arthur Jenkins were, by any measure, heinous. On an October day in 1990, he and a younger brother killed an uncle and a family friend with gunshots to the head. Jenkins, in a demonic rage, also furiously stabbed the uncle in the stomach with a kitchen knife. He all but disembowelled him.

It is no surprise, therefore, that Jenkins' appointment with the executioner at the Greenville Correctional Center in Virginia at 9 o'clock last night has aroused little public interest. Barring a last-minute intervention by the Governor, James Gilmore, Jenkins will be dead by this morning.

BY DAVID USBORNE
in New York

Even as the death chamber was prepared, a more complicated story emerged, however. Jenkins, 30, had an IQ of only 65. Indeed, the case was fractionally made, to no avail – the US Supreme Court rejected appeals for clemency – for his sentence to be commuted on the ground of mental incompetence.

Moreover, Jenkins was on a cocktail of antipsychotic drugs for most of his life.

And his life was one of unremitting hardship. He had a childhood of abuse at the hands of his own family, physical and sexual. According to Deirdre

Enright, a Virginia lawyer who emerged as the leading champion for clemency in the case, he was barely aware of the depth of his plight even at the end. When Jenkins committed murder he had, only 30 days earlier, been released from the state's Washington County jail, where he had served part of a four-year sentence for burglary. He had returned to the town of Front Royal, Virginia, and the home of his aunt, Elizabeth Morris and her husband, Floyd Jenkins.

Interviews she conducted with Jenkins told a startling tale: he alleged that Mr Cleenden had offered him drugs and alcohol in exchange for sex with him – charges that Mr Cleenden, now out of the system,

has denied. Worse, Jenkins said he was driven to his savage attack on Floyd because he had been sexually abused by him in childhood. The other victim was Lee Brinklow.

A year after the trial, however,

Ms Enright stumbled on trou-

bling information regarding

Jenkins' time at the Washington

prison. She was responding to

allegations by the FBI against

the former warden of the prison,

Robert Cleenden.

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BRIEFING

Inside BUSINESS REVIEW today

- Monsanto: In need of a modified image
- British Biotech's bitter pill to swallow
- Powerhouse of the energy industry
- Merger that created fireworks

PLUS Hamish McRae, Diane Coyle, Jonathan Davis, Derek Pain and The Trader

Vallance in the frame at CBI

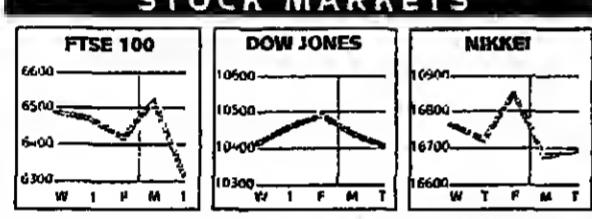
BT CHAIRMAN Sir Iain Vallance was yesterday nominated as deputy president of the Confederation of British Industry. His name now goes forward to the CBI's annual meeting for election on 20 July. On election he would be expected to serve for a year as deputy to the current president, Sir Clive Thompson, and would succeed him as president in July 2000 for a two-year term. Sir Iain is also vice-chairman of the Royal Bank of Scotland, vice-chairman of the European Advisory Committee to the New York Stock Exchange, and a member of the CBI President's Committee.

Prudential premiums up 32%

PRUDENTIALS premium income hit £2.5bn in the first quarter, a rise of 32 per cent over the period last year, chief executive Sir Peter Davis said yesterday. Egg, the core of the Prudential's new banking business, has more than 400,000 customers and deposits in excess of £5bn, a rise of almost £3bn in the first quarter.

The Prudential's premium growth topped forecasts and was in line with that reported by Norwich Union. UK premium income rose by 18 per cent to £1.5bn, including a 24 per cent rise in £1bn in premiums through Scottish Amicable, the subsidiary working through independent financial advisers. Prudential closed 23p lower at 787.5p.

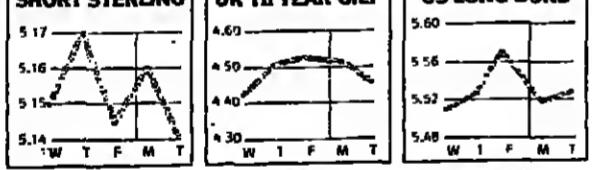
STOCK MARKETS



INDICES

Index	Close	Change	Chg %	52 wk high	52 wk low	Yield (%)
FTSE 100	6319.80	-195.50	-3.00	6538.90	4599.20	3.49
FTSE 250	5755.60	-28.80	-0.50	5920.90	5247.60	3.04
FTSE 350	3024.10	-86.70	-2.79	3110.80	2310.40	2.57
FTSE All Share	2829.26	-88.98	-3.09	3010.25	2163.53	2.65
FTSE SmallCap	3472.00	-16.60	-0.47	3293.80	1834.40	4.30
FTSE Financials	1845.10	-10.00	-0.74	1517.10	1046.30	3.49
FTSE All M	809.50	-6.60	-0.72	1146.90	761.30	1.08
FTSE Eurotop 100	2944.31	-79.77	-2.64	3079.27	2018.15	1.90
FTSE Eurotop 300	1276.83	-30.57	-2.34	1332.07	880.63	1.85
Dow Jones	10400.44	-35.22	-0.34	10765.74	7400.30	1.52
Nikkei	16697.11	-27.90	-0.18	17166.00	12787.90	0.76
Hang Seng	12405.78	-356.66	-2.79	13079.50	6544.79	2.82
Dax	5087.29	-132.86	-2.53	6217.83	3833.71	1.61
S&P 500	1300.46	-11.93	0.93	1362.38	923.32	1.23
Nasdaq	3372.63	-34.89	-1.09	2630.52	1357.09	0.30
Toronto 300	6898.30	-8.69	-0.12	7837.70	5320.90	1.51
Brazil Bovespa	10695.31	-300.48	-2.68	12022.47	4575.59	3.25
Belgium Bel20	323.27	-78.30	-2.37	3713.21	3696.26	2.04
Amsterdam Exch	549.62	-9.77	-1.75	600.48	366.58	1.82
France CAC 40	4253.27	-126.07	-2.88	4146.16	3881.11	1.70
Milan MIB30	36475.00	-288.00	-0.78	39170.80	24175.00	1.06
Madrid Ibex 35	9662.00	-189.70	-1.93	10989.80	6669.90	1.75
Irish Overall	5202.89	-108.92	-2.05	5581.70	3732.57	1.56
S.Korea Comp	770.43	3.84	0.50	766.59	277.37	0.90
Australia ASX	3090.10	-33.00	-0.74	3116.90	2386.70	3.01

INTEREST RATES



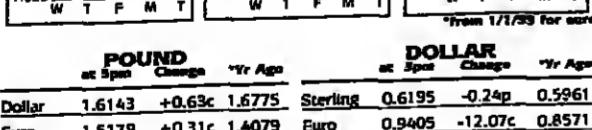
MONEY MARKET RATES

Index	3 months	Yr chg	1 year	Yr chg	10 year	Yr chg	Long bond	Yr chg
UK	5.31	-2.19	5.36	-2.18	4.46	-1.33	4.45	-1.25
US	5.00	-0.69	5.25	-0.60	...	...	5.53	0.40
Japan	0.14	-0.52	0.21	-0.47	1.50	-0.27	2.29	-0.08
Germany	2.61	-1.04	2.70	-1.24	3.84	-1.05	4.84	-0.59

BOND YIELDS

Index	3 months	Yr chg	1 year	Yr chg	5 year	Yr chg	10 year	Yr chg
UK	5.31	-2.19	5.36	-2.18	4.46	-1.33	4.45	-1.25
US	5.00	-0.69	5.25	-0.60	...	...	5.53	0.40
Japan	0.14	-0.52	0.21	-0.47	1.50	-0.27	2.29	-0.08
Germany	2.61	-1.04	2.70	-1.24	3.84	-1.05	4.84	-0.59

CURRENCIES



OTHER INDICATORS

Index	Close	Chg	Yr Ago	Index	Close	Chg	Yr Ago	Index	Close	Chg	Yr Ago
Brent Oil (S)	15.78	-0.01	13.64	GDP	115.40	3.00	112.04	Mar	...	...	...
Gold (S)	284.45	-0.50	307.95	RPI	164.10	2.10	160.72	Mar	...	...	...
Silver (S)	5.15	0.08	6.27	Base Rates	5.35	7.25	5.00	ON at Spot	...	...	...

www.bloomberg.com/uk

TOURIST RATES

Australia (S)	2.3945	Mexican (nuevo peso)	13.96
Austria (Schillings)	20.16	Netherlands (gulders)	3.2321
Belgium (francs)	59.29	New Zealand (S)	2.8131
Canada (S)	2.3352	Norway (kroner)	12.23
Cyprus (pounds)	0.8464	Portugal (escudos)	292.83
Denmark (korner)	10.97	Saudi Arabia (rials)	5.8733
Finland (markka)	8.7519	Singapore (S)	2.6100
France (francs)	9.6323	South Africa (rand)	9.3879
Germany (marks)	2.6800	Spain (pesetas)	243.84
Greece (drachma)	478.24	Sweden (korner)	13.15
Hong Kong (S)	12.11	Switzerland (francs)	2.3592
Ireland (pounds)	1.1543	Thailand (bahts)	54.24
India (rupees)	62.00	Turkey (lira)	597.127
Israel (shekels)	6.0004	USA (S)	1.5754
Italy (lira)	2855		
Japan (yen)	186.60		
Malaysia (ringgit)	5.8182		
Malta (lira)	0.6261		

Source for indication purposes

150

BUSINESS

FTSE's 196-point plunge fuels fear bull run is over

SHARES IN London went into sharp reverse yesterday, taking their lead from Monday's nose-dive in US technology stocks.

The FTSE 100 index ended down nearly 196 points, or 3 per cent, at 1955.3 - its fourth-biggest drop ever in points terms and the second biggest since the October 1987 crash.

Earlier in the day the FTSE 100 had been down by as much as 235 points, but the index stabilised when the Dow Jones index recovered some of its early losses in New York. At midday the Dow was nearly 60 points lower at 10,380.97, following Monday's closing loss of 53 points.

he added, cautiously: "I emphasise we have been talking about this for the last two-and-a-half years or so and it has not happened yet, so it is by no means a sure bet."

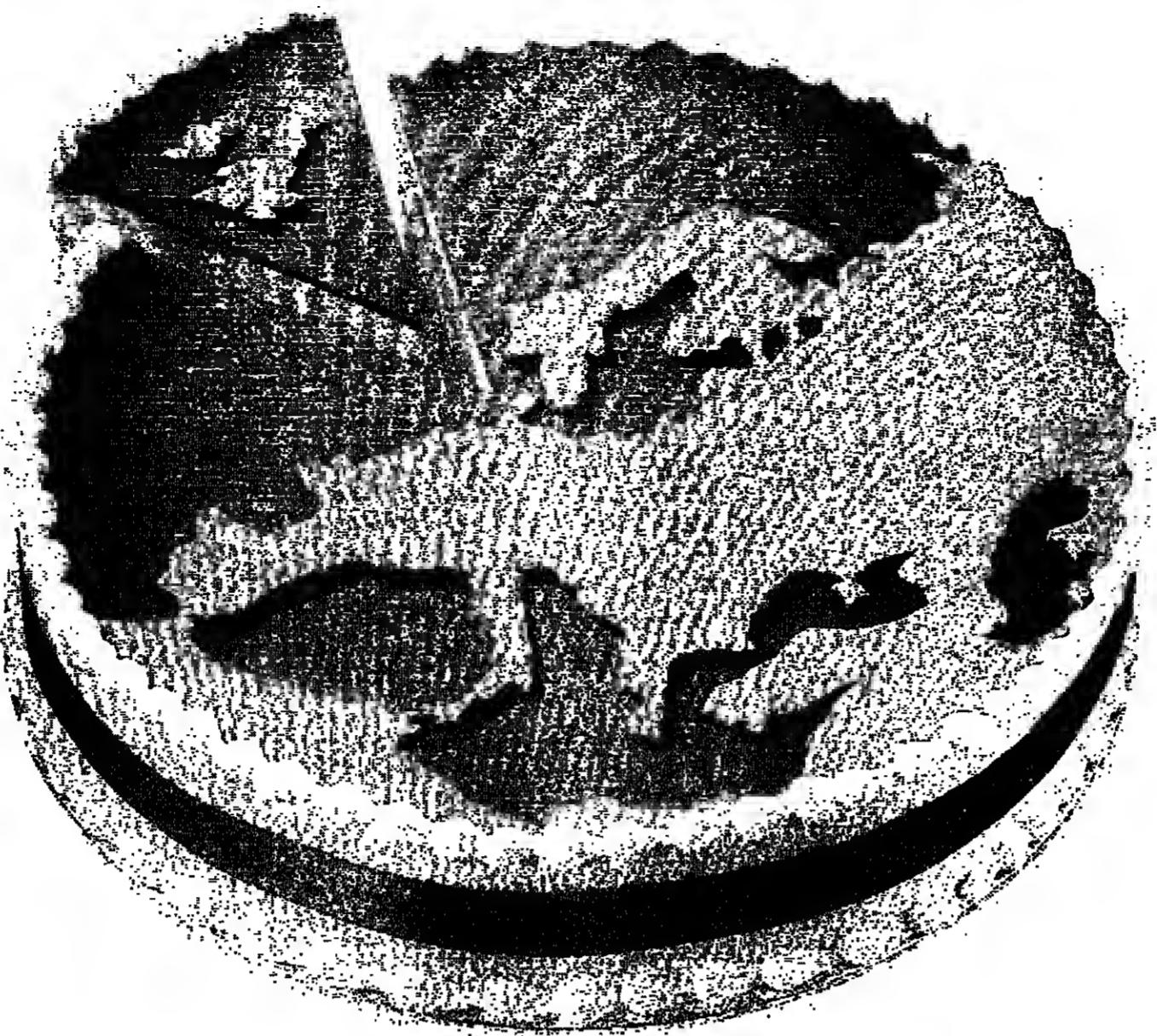
Uncertainty centred on the much-hyped high-technology stocks. The US Nasdaq index dived 5.6 per cent on Monday but staged a recovery yesterday morning. This was led by Microsoft, expected to announce good first-quarter earnings after the market closed.

The US rebound came too late for London, where Dixons was one of yesterday's biggest casualties. Its shares ended down 108p at 1,220p, an 8 per cent drop.

Other technology and telecoms shares also fell, and there was profit taking in the banking sector.

Ken Wattret at Paribas said:

"What seems to be happening is a revision of earnings potential for some of the sectors that have been performing exceptionally well of late. In the case of the UK, some of these sectors - such as pharmaceuticals and telecoms - have a heavy weighting in the FTSE 100 index. This all leaves the UK market looking a



Fancy a bigger slice of the cake?

The UK boasts some of the most accomplished food and drink producers in the world.

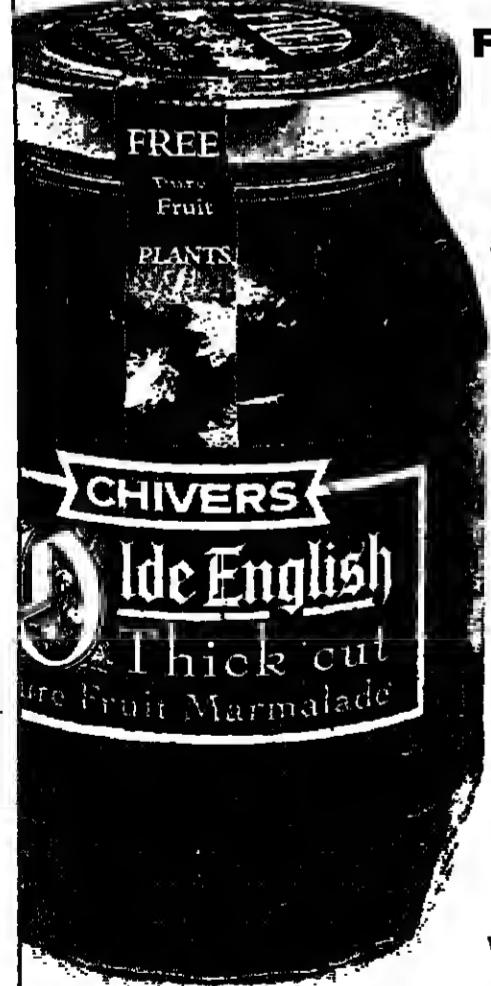
Yet a surprisingly large number are still entirely dependent on the UK for their business.

And it's not getting any easier, with the never-ending tussle over shelf-space and margins in our overcrowded island.

A case of too many eggs in one basket.

But lack of familiarity with overseas markets, retailers, distribution logistics and, at the simplest level, language, can deter even the most aggressive of marketeers.

Where, then, can they turn for this essential help?



Food from Britain: Helping you to hit the ground running

Food from Britain is the UK's leading international food and drink marketing consultancy, with the objective of helping British food and drink producers develop new markets overseas.

Ours is not a consultancy of fine talking theorisers, but an intensely practical one.

All our people are commercial professionals working out of their own offices in all the major European countries, North America and Japan, with detailed knowledge of their local markets.

We can help you pinpoint opportunities, supply you with market data and make the key introductions to trade partners and buyers.

We can help you with trade shows, publicity and promotions.

In a nutshell, we'll help you build your business abroad.

The world is your oyster... or tea bag...soup...cereal...

It doesn't take a rocket scientist to realise that the rest of the world represents a bigger potential market than the UK, a genuine opportunity both to grow sales and spread risk.

In fact, the value of UK food and drink exports has doubled in the last decade and now stands at around £10 billion. Hardly surprising given the innovation, imagination and drive that characterises so many UK food and drink producers.

Just to quote from our own portfolio, we have helped UK companies sell breakfast cereal to the Spanish, preserves to the U.S., chilled soups to Belgium and France and drawstring tea bags to the Japanese. In total, we are working with nearly 1000 companies.

But boil it all down and our value can be described in three short words: Knowledge. Know-how. Contacts.

We've got them. We're ready to share them. Call us.

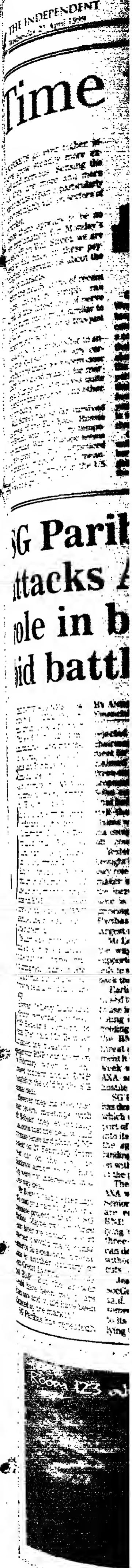
Contact Simon Waring, Marketing Director, on 0171 468 8555 or Andrea Ng, International Development Director, on 0171 468 8571.

Website: www.foodfrombritain.com



Building your business abroad

Parity attacks sole in bid battl



Time to go back to traditional values

AS MARKETS go ever higher, investors grow steadily more exposed and nervous. Sensing the peak, they are more and more prone to bouts of panic, particularly in the most highly valued sectors of the market.

Since there appears to be no other explanation for Monday's late sell-off on Wall Street, we are forced to fall back on these psychological observations about the nature of markets.

After the heady gains of recent months, investors simply ran scared. Is this latest loss of nerve going to turn into a rout, similar to last Autumn's crash, or is this just another minor wobble?

As always, it is impossible to answer this question with any certainty, but one thing does seem clear - there is no good reason for markets to plunge into the abyss quite yet, and for that reason if no other, they probably won't.

Wall Street has so far survived the crisis of the Far East, Russia and Brazil, with only very temporary damage. War in Europe seems to have gone by largely unnoticed by financial markets and meanwhile, economic growth in the US shows no sign of abating.



OUTLOOK

Obviously it is the case that Western equity markets cannot keep growing indefinitely at their recent rate; eventually there must be a correction to bring them back to their long term rate of return of about 8 per cent per annum. Given the length of time they have outperformed that level, it is inevitable that eventually they will underperform it, possibly for a period of many years. As ever, the \$64,000 question is whether that time has now arrived.

Once again, this seems rather unlikely, notwithstanding the number of valuation warning bells now going off right left and centre. Over the last two years, Wall Street has

nearly doubled, a level of gain similar to that which preceded the crash of 1929, and the average price earnings ratio has reached its highest ever level. Similarly, the dividend yield is at its lowest while the value of US stock markets as a percentage of the economy is more than ever before.

But are these good reasons for a crash? A crash needs a cause and it is in vain that one searches for one. In the US, the economic outlook continues to look benign, things seem to be looking up in Japan and even in sluggish old Europe, the outlook is hardly dire. Meanwhile, the old arguments about liquidity - where else can the money go except into Western equity markets - remain as potent as ever.

None the less, there is plainly something significant going on in markets right now. Over the last week or so there seems to have been a pronounced swing in sentiment away from overvalued growth stocks in the IT and life science sectors, and back towards neglected and more cyclical traditional industries. In the search for value, this seems a logical enough development. Indeed, it seems odd that in-

vestors have ignored these higher yielding stocks for so long. For most chief executives, it will also be an extremely welcome one.

AA conversion

THE de-mutualisation bandwagon rolls inexorably on. The RAC's motor racing services division has already skidded on to the block. Now the century old Automobile Association is also examining its options with a trade sale the most likely outcome. Would it be worth it?

The first thing to realise is that any windfall pay-out would be relatively small. Unlike the RAC, where the crusty old members of the RAC club on Pall Mall stand to net a tidy £3,000 each and ordinary members are left empty handed, the AA is a more democratic organisation.

Any spoils would have to be shared equally among all its 4.3m ordinary members, which at most would mean a paltry £300 each. Given that the AA's rules require two thirds of its members to vote in favour of a change of ownership this might prove a difficult majority to reach. For it is questionable

that a change of ownership would necessarily improve the group's fortunes.

In the banking sector, the mutually owned building societies have found it easy to undercut their converted peers on mortgage rates because they do not have dividend payments to make. This so-called mutual dividend is not to be sneezed at. The question is whether it exists at the AA.

Most people regard the AA as a reasonably efficient service and its "surplus" of £22m on sales of £578m are reasonable for a not-for-profit organisation. The AA has fought hard for its 48 per cent market share and in doing so has shown considerable commercial savvy.

But there are problems. The breakdown and insurance market is becoming more competitive with Green Flag and a host of other new entrants. In insurance products, AA's premiums may not seem exorbitant but there are cheaper rates available for those prepared to shop around.

If the AA is being undercut by rivals that also serve the needs of shareholders, then the value of its mutual status has to be questioned.

To be fair on John Maxwell, the AA's director general, the organisation seems to have recognised this by getting out of non-core activities like high street shops and concentrating on enhancing its core service. However, it may have to do more to demonstrate unequivocally that there really is a benefit to customers in remaining mutual.

Water charges

IAN BYATT, director general of Ofwat, last year demanded a one off cut in water charges of 15 to 20 per cent in his five year review of industry price caps. The water companies have since responded with their own business plans, which were published yesterday by Ofwat. Surprise - only one of them, Severn Trent, proposes any kind of reduction at all, while another, Anglian, wants an increase of more than 10 per cent.

On both sides, these are opening shot demands, negotiating positions from which some retreat may be possible. Even so, this is quite a gas and given the pressure on Mr Byatt to deliver a politically acceptable solution, he will be unwilling to

give ground unduly. The question for the water companies is whether this is worth going to the barricades over by subjecting themselves to a Competition Commission investigation.

The last utility to do this was British Gas, and it ended up with an even worse outcome than that suggested by the regulator. Thames Water and others have in the past suggested a face saving compromise - the idea that mergers within the industry would yield the sort of cost savings that might allow such sharp reductions in bills to be pushed through - but the response from Mr Byatt has so far been quite negative.

Certainly the cards seem heavily stacked against the water companies. The experience of gas is that these one time state owned utilities are capable of delivering even on the most draconian of demands and still leaving something for the shareholders.

Mr Byatt's assumptions about return on capital are by no means outrageous given the absolute monopoly of most water companies and the present low interest rate climate.

The water companies would be foolish to expect any more than some minor concessions.

SG Paribas attacks AXA role in bank bid battle

A BEHIND-THE-SCENES row over the role of AXA, the insurance group, as kingmaker in France's \$36bn (£22.4bn) banking bid battle burst into the open yesterday, as Société Générale and Paribas disputed claims that they had acquiesced in attempts by AXA to break a three-way merger with rival BNP shortly before it launched a counterbid to the death.

AXA chairman Claude Bébér claimed that Paribas chairman André Levy-Lang and SocGen chairman Daniel Bonton, who struck a \$19bn merger early in February, had agreed later that month that a merger with BNP would be of interest - just days before BNP gatecrashed their deal with a hostile counterbid.

The claim was intended to punch a hole in SG Paribas' defence that the three-way cost-cutting retail bank merger was a hostile act and would never work because of its complexity.

However, Mr Levy-Lang and Mr Bonton yesterday contested Mr Bébér's version of events. They said Mr Bébér had raised the question of a merger with BNP with them on 20 February, when he expressed concern about BNP being left in the cold by the SG Paribas deal.

However, they insisted that after several meetings with Mr Bébér, they eventually concluded that the deal would not make sense and phoned Mr Bébér on 27 February from their car on the way to Heathrow airport to tell him they were not interested in a three-way deal.

Mr Bonton said yesterday: "We said you had to deliver a complete project - that is SG Paribas. Maybe two or three years later we should look at whether it would make sense either to do a deal with a retail bank in another country or with Credit Lyonnais, or why not BNP?" But the answer would have been two years from now and would have been dictated by the market."

SG Paribas has repeatedly

rejected appeals from BNP chairman Michel Pebereau to meet for talks. Mr Levy-Lang claimed yesterday that the three-way deal Mr Pebereau proposed would cost at least 500m euros in lost business. That had to be set against the risk that the savings BNP claims will flow from integrating computer systems - a one-off - could be delayed.

Yesterday's exchanges have brought into the open the shadowy role of Mr Bébér in the affair. However, the increasingly acrimonious tone is symptomatic of the growing tension between SG, Paribas and AXA, Paribas' largest shareholder.

Mr Levy-Lang is angered at the way Mr Bébér initially supported the SG Paribas deal, only to switch horses later and back the BNP bid.

Earlier this week, Paribas raised the stakes with a threat to use legal means to stop AXA voting its 6.7 per cent shareholding in Paribas in favour of the BNP bid. It bases this threat on a 10-year-old agreement it made public earlier this week which it says prevents AXA selling its shares to a hostile party.

SG Paribas claims the pact has dealt a serious blow to BNP which was relying on the support of AXA to deliver Paribas into its hands. But AXA claims the agreement is no longer binding and has vowed to press on with its support regardless of the pact.

The hostility at Paribas to AXA was palpable yesterday. Senior executives at SocGen are equally scathing about BNP, which they accuse of lying when it claims that its three-way merger proposal can deliver more cost savings without branch closures or job cuts.

Jean-Jacques Ogier, head of SocGen's retail banking arm, said: "Someone is lying to someone. Either BNP is lying to its shareholders or BNP is lying to its staff."

SG Paribas has repeatedly

referred to the NAO report which showed that the sale netted only half the potential proceeds.

The NAO also attacked the squabbling between the Department of Trade and Industry, British Coal, the trustees of the pension schemes and the CINMan management.

These conflicts delayed the completion of the sale for almost a year and resulted in

ROYAL DUTCH SHELL paid out more than \$9m (£5.6m) in fines last year for breaches of health, safety and environmental regulations, but the number of employees sacked for bribery fell sharply, according to the oil giant's latest ethical report.

The number of contractors dismissed for failing to comply with Shell's health and safety standards or general business principles also fell significantly from 95 in 1997 to 69. In one

case the company withdrew entirely from a joint venture because it was unhappy with its partner's ethical standards.

The number of employees

sacked for accepting or soliciting bribes fell from 21 in 1997 to three last year, with a further three cases awaiting decisions.

But Mark Moody-Stuart, the Shell chairman, said it was impossible to tell whether this was because the group's tough stand on bribery and corruption was paying off.

He rebuffed suggestions that, despite the reduction in incidents of bribery among Shell staff, the company was still hiding behind contractors who routinely offered bribes in countries such as Nigeria.

Mr Moody-Stuart said Shell would never deal with contractors it knew to be corrupt, but that if it were to impose its own ethical standards on everyone there would be some major oil companies it could not do business with.

He declined to name the joint venture Shell withdrew from, arguing that if it published the identities of all companies it refused to do business with it could run into legal difficulties and possibly challenges

from the European Commission.

Last year the company distributed 900,000 "Tell Shell" cards inviting individuals to give their views on the company's ethical performance. It received only 288 replies. Mr Moody-Stuart rejected suggestions Shell had overreacted to criticism relating to events such as the Brent Spar oil rig disposal and the execution of Ken Saro Wiwa in Nigeria.



Chairman Mark Moody-Stuart: Says Shell did not over-react to criticism after the Nigeria and Brent Spar controversies

Emma Boam

Shell pays \$9m in health and safety fines

BY MICHAEL HARRISON
Business Editor

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He says these prevented a clean-cut sale and also prolonged the sale process itself.

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The business was then split into two parts - one managing the funds tied up in securities, the other managing its property interests. The securities business was eventually sold to Goldman Sachs Asset Management for £23.5m, while the property arm was bought by La Salle Partners for £9.7m.

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Buyers' strike tips Footsie off its heady peak

LONDON SHARES took a massive tumble yesterday as the overnight tribulations of the US hi-tech and Internet stocks inspired a bout of selling in their UK counterparts.

The negative mood quickly spread to other highly-rated stocks, and profit takers emerged among recent star performers such as telecoms and financials.

The bearish mood kicked the FTSE 100 off its pedestal. The blue-chip index started the day from the comfort of another all-time peak but quickly fell out of bed, finishing 19.5 points off at 6,319.8. It was the second-biggest point fall since the crash of 1987, but most market players were unruffled and seemed more concerned with some bomb boozers in a couple of City institutions.

A heavy sell-off of techie stocks on Nasdaq on Monday, coupled with an uncertain start for the Dow yesterday, were seen as the chief culprits. Traders also said the London fall was due more to a lack of buyers than a rush to sell. The turnover figure – over a 1 billion but below the 1.4 billion registered on Monday, lent weight to the buyers' strike argument.

The undercard took a smaller pasting. The FTSE 250 lost 95.8 points to 5,753.6, while the small cap fared even better, ending a mere 16.6 points off at 4,473.0.

A few resilient takeover rumours survived the minor market bloodbath. Greenalls, the pubs and De Vere hotels group, firmed 8.5p higher to 345.5p after the return of the old chestnut of a bid from a rival beer group, Bass, up 23p to 898p, is the hot tip. There are whispers of an offer

There is the whiff of corporate action at Waverley Mining, a hard-pressed Scottish coal producer.

The shares yesterday moved 0.25p higher to 5.5p. They were once 132p. A couple of investors are thought to be building a stake in the group, which owns over a quarter of a privately-owned coal mining group and around 20 per cent of an Australian field. It is rumoured that the investors could look at a bid for the whole group.

of 480p a share, valuing Greenalls at about £1.2bn. Old favourite Whitbread was also the subject of some bar talk, serving up a 31p advance to 1,038p. Greenalls will be a great catch for Whitbread, as it would boost its David Lloyd fitness clubs and add a sizeable chunks of pubs. The prospect of a takeover of Greenalls triggered boozes of a bid for the regional hotelier Swallow Group, which booked a 12.5p rise to 317.5p.

Bass and Whitbread were two of only 11 blue chips to rise on the day. Imperial Chemical Industries was the leader of this thin pack, putting on 32p to 705.5p as buyers moved in ahead of tomorrow's re-

MARKET REPORT



FRANCESCO GUERRERA

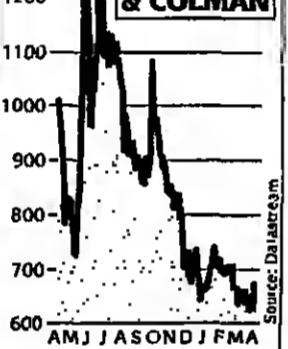
suits. Positive noises on the beleaguered chemicals sector from BT Alex. Brown also helped.

Reckitt & Colman benefited from its diversified product mix. The Harpic-to-Lemis group cleaned up with a 18p rise to 679.5p. Reckitt was aided by speculation that it has been chosen by Warren Buffett as his favourite blue chip.

Two other alleged Buffett targets, Marks & Spencer and Diageo, were also on the up. M&S bagged a 11p rise to 444.25p, while the Guinness brewer rose a smooth 12p to 683p.

The meagre list of FTSE 100 risers was completed by

RECKITT & COLMAN



DURING A DAY when Internet-related stocks were savaged by sellers, Affinity Internet managed to more than double its value.

The company debuted on the Alternative Investment Market with a 73.5p rise to 143.5p, well up from its 70p float price. Affinity, which designs websites for several companies, including Arsenal football club and the retailer Toys 'R' Us, also raised 2.75m through a placing at the float price.

crockery maker Denby posted a cracking 24.5p advance after announcing that it is in talks. Portmeirion, up 5p to 147.5p, and John Tams, flat at 17.5p, were dragged into the frenzy.

Ivernia West, an Irish mining company, dug up a 6p advance to 44p after taking a stake in an Australian lead mine. Jurys Hotels rose 9p to 55.75p, after launching a £187.6m bid for fellow Irish pub Doyle Hotel. Vague talk of a bid for the chemical group Yorkshire left the shares unchanged at 12.5p.

The fall-out from the Nasdaq sell-off hit the FTSE 100 newcomer Energis. The telecommunications group rang up a 137p

loss to 1,551p. Another high-flier, Colt Telecom, slumped 83p to 1,070p as ABN Amro said "overvalued".

Fellow telecoms providers Telewest, down 20p to 252.75p, and Cable & Wireless Communications, 31.5p lower at 658.5p, felt the pinch of a regulatory probe. Reuters dug its own grave, falling 70.5p to 861.5p on poor first-quarter figures.

CGU slumped 37p to 940p after warning that trading conditions in the general insurance market remain tough. Rival Sun Life & Provincial fell 36p to 523.5p.

Kingfisher was another big loser, shedding 50p to 746p. The latest stamp values the Woolworths-to-B&Q bid for Asda at a mere 18p per share. Asda was trading well above that yesterday, finishing at 183.75p despite a 10p fall. When Kingfisher launched its all-paper bid, it valued each Asda share at 18p.

Prudential lost 23p to 787.5p despite good new business figures, just like fellow insurer Legal & General, down 15p to 718.5p. NatWest had a 45p deficit at 1,522p despite an upbeat trading statement. Fears of a holiday price war sent Thomson Travel 16p lower to 159p, while Airtours, still mulling an offer for First Choice, nosedived 35p to 453.5p.

St Ives, the paper group, inspired brokers with a positive set of figures and soared 49p to 530.5p. Hepworth was nearby in the FTSE 250 biggest risers' chart; the boilermaker sparked 14p higher to 195p as old talk of a overseas bidder resurfaced. Hepworth could also bid for Polypipe, up 0.5 to 209.5p.

Though like-for-like sales were down by 2 per cent on the year before and are down by a similar figure in current trading, the company said its

turnover increased by 24 per cent to £223m, while profits rose by 13 per cent to £27.3m. Much of the increase in sales and perhaps half the extra profit came from Hunters Armeray, the direct-response printer acquired for £33m last June.

A drop in margins was also chiefly due to the inclusion of Hunters Armeray, which further increased sales of paper included virtually at cost in leaflet printing contracts, chairman Miles Emley said yesterday. Results in the UK exceeded

expectations, with sales rising by around 5 per cent on a like-for-like basis. All divisions contributed, including direct response advertising magazine and book printing, financial reports, and printing for the music and multimedia industries.

The group continues to benefit from its strong market share, continuing investment in new equipment and the flexibility permitted by its wide range of operations.

The chances of a soft landing for the economy are improving and new plant is being brought on stream in the US to ease capacity constraints, but the outlook in Germany remains clouded by fierce competition and slow growth, St Ives said.

Debenhams to start selling on the Internet

DEBENHAMS, the department store group that was demerged from Burton just over a year ago, will start selling goods on the Internet in the autumn as it steps up its interests in electronic commerce.

Debenhams already has a web site and it plans soon to upgrade its wedding list service so that items can be ordered on the Internet. It will make more regular merchandise available for Internet ordering and is also planning to extend its Internet cafe concept, which is currently a single outlet in central London.

In addition, Terry Green, chief executive, said Debenhams was building "initial discussions with third parties to set up joint ventures either related to the Internet or digital television."

Debenhams admits it must have benefited from the woes at Marks & Spencer and says it has increased its market share in both menswear and womenswear.

Going forward, Debenhams is planning to open 15 new stores over the next four years, to take its chain to more than 100 outlets.

The current weakness with Debenhams is that it is finding it difficult to drive sales forward significantly. But the keen cost control and margin improvement should keep earnings momentum going.

The home shopping joint-venture with Freemans also

BY NIGEL COPE

Associate City Editor

margin figures were more encouraging.

Part of Debenhams' success is that it has avoided the worst discounting on the high street. It has improved its gross margin by 6.2 percentage points and has reaped the benefits of a gradual concentration of its supply base from 3,000 suppliers four years ago to 650 now.

The company has also successfully integrated popular own-brands, such as Maine New England and Trader, with exclusive ranges from designer houses such as Oswald Boateng.

Debenhams admits it must have benefited from the woes at Marks & Spencer and says it has increased its market share in both menswear and womenswear.

Going forward, Debenhams is planning to open 15 new stores over the next four years, to take its chain to more than 100 outlets.

The current weakness with Debenhams is that it is finding it difficult to drive sales forward significantly. But the keen cost control and margin improvement should keep earnings momentum going.

The home shopping joint-venture with Freemans also

DEBENHAMS: AT A GLANCE

Market value: £1.7bn, share price 465.5p (3-p) 6 months

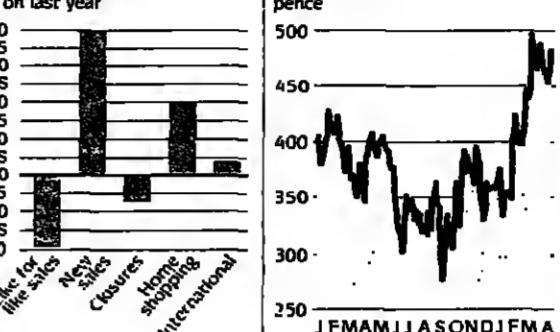
Five-year record 1996 1997 1998 1999 7/9/98 98/99

Turnover (£m) 1,117 1,283 1,360 770.2 785.2

Pre-tax profits (£m) 56.4 170.5 303.6 242.1 79.4

Earnings per share (p) 10.5 2.5 65.8 54.8 14.1

Dividends per share (p) - 9.8 39 4.1



Turnover on last year

Share price pence

500

400

300

200

100

0

-100

-200

-300

-400

-500

-600

-700

-800

-900

-1,000

-1,100

-1,200

-1,300

-1,400

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THE QUEEN'S AWARDS

Suffering exporters shun 'tired' prize

THE NUMBER of companies applying for the Queen's Award for Export Achievement has plunged to its lowest level in the awards' 33-year history, prompting a renewed outcry about the strength of sterling.

In 1997, 1,300 British companies applied to win a Queen's Award for exports. Last year the number fell to 865, and this year to just 520.

The Prime Minister set up a fundamental review of the awards before Christmas, after it emerged that entries for the

BY JOHN WILLCOCK

other two categories - technology and the environment - also hit their lowest levels ever. The review committee is chaired by the Prince of Wales. Its mandate is to implement reforms in time for next year's awards.

Some interpreted this year's figures as graphic evidence of the damage from the strong pound and last year's collapse in Asian markets. Others blamed the "tiredness" of the awards' concept, and form-filling.

The Confederation of British Industry said: "It is hardly surprising that the numbers are down, as exporters have had a tough time. It shows the combined effects of the difficulties in South-east Asia and Eastern Europe as well as the strength of sterling throughout last year."

The CBI spokesman added: "You also have to take into account the weakness of Western European economies at the end of last year, which are still our major export markets."

A spokesman for the Engi-

neering Employers' Federation said: "It's not surprising at all, given how export-dependent we are. It is also a reflection of what we've said over the last couple of years; that the strength of the pound is damaging us, particularly in European markets. This will continue this year and next."

Ruth Lea, head of the policy unit at the Institute of Directors, pointed out that the number of applicants for technology and environment awards had also fallen. The number applying for technology awards fell from 278

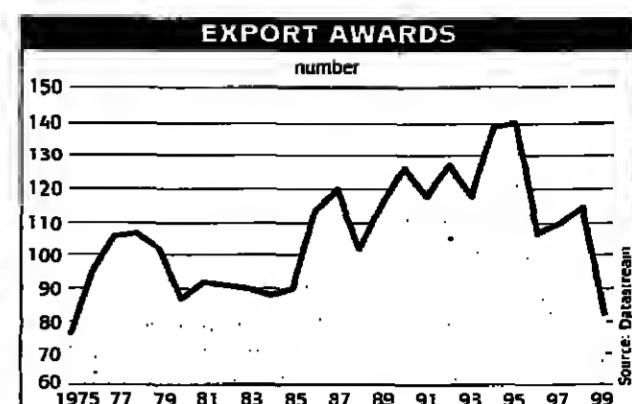
in 1997 to 163 this year. Applicants for the environment award fell from 146 to 82 over the same period.

Referring to the DTI review of the scheme, Ms Lea said: "The DTI has been aware for some time that the awards are looking tired. After all, the technology award has been around since the mid-1980s."

She said that the system of applying for the awards might be "a bit bureaucratic". She said the IoD had suggested to the review committee that the name should

be changed to "Queen's Awards for Enterprise".

Sources close to the review committee say the name of the scheme is being reconsidered, although the Queen's name will be retained. Among changes being considered are a broadening of the export award to include international trade in general. The technology awards may be expanded to include innovation in general. The environment award may also cover environmental management as well as products.



The malt whisky market is still buoyant. It's a premium product and people are still prepared to pay for it," says Macallan

John Voos

Macallan keeps whisky exports flowing

THE MACALLAN Distillers, maker of malt whisky since 1824, has won a Queen's Award for Export after increasing the percentage of its production sold overseas from 54 per cent to 61 per cent over the last three years, writes John Willcock.

The company is based on the banks of the River Spey in Banffshire, Scotland, and sells about 200,000 cases of malt whisky a year.

Simon Sanders, director of corporate affairs at Highland Distillers, the Perth company that owns Macallan, said sales

had prospered despite the current strength of the pound.

"The malt whisky market is still buoyant. Also the strong markets for malt whisky are not in Asia and Latin America, but rather in Europe and North America, with the exception of Japan. It's a premium product,

and people are still prepared to pay for it," he said.

Macallan has won its second successive export award and its fourth in total. Mr Sanders says the company is dedicated to maintaining the Macallan virtues, such as the exclusive use of sherry casks for the

whisky's maturation. "We arrange for the casks to be built and put into the Spanish sherry industry. Then when they've been used the effects of the sherry on the wood impart a smooth and rather sweet taste to the whisky," Mr Sanders said.

Into battle against bacteria

Service industries make their mark

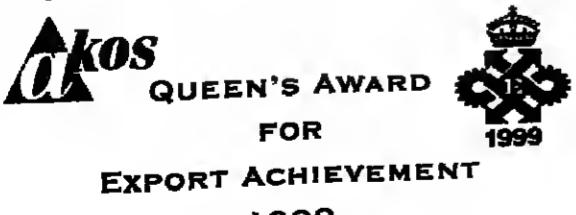
THE INCREASING importance of service industries to the British economy is clearly demonstrated by this year's Queen's Awards for Export, Technological and Environmental Achievement.

Service companies accounted for 33 per cent of the export award winners, compared with about 15 to 20 per cent in recent years.

The three lists have their share of more traditional manufacturers, such as Bellak Pottery, which has been making fine china giftware in Northern Ireland for nearly a century and a half, and HDA Forgings, the Worcestershire-based manufacturer of hand and die-forged components for the aerospace, defence, transport and general industrial sectors, as well as pharmaceutical companies, such as Glaxo and Zeneca.

But taking their place alongside them are such organisations as the City of London-based international law firm Allen & Overy and Bupa, one of the world's leading providers of private medical insurance.

Akos Healthcare Group Ltd



We wish to thank all our staff and clients for their continued support which has made our success possible.

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www: http://www.akos.co.uk

BY ROGER TRAPP

development of a fungicide that both protects plants from fungi and cures them if they are already affected by the condition.

Meanwhile, Zeneca's metal extraction products arm, based in Manchester, wins an environmental award for the development of a process used in the manufacture of a chemical product associated with the extraction of copper from waste ore that reduces effluent by 85 per cent.

Britain's nautical tradition is upheld by Brunton's Propellers of Clacton-on-Sea, Essex, which wins a technological achievement award for the development of the Autoprop, an automatic variable pitch propeller which adapts to the conditions in which a boat is operating.

By working in this way, the propeller achieves much higher efficiency over a wider range of operating speeds than is possible with conventional fixed propellers.

As a result, vessel speeds are higher, fuel consumption is lower and emissions are reduced.

AWARDS TO SMALL FIRMS

Under 50 employees			
Export	34	41%	(82 Export Awards)
Technology	5	36%	(14 Technology Awards)
Environment	3	60%	(5 Environment Awards)
	42	42%	(101 total Awards)
Of which the five smallest are			
Gambeth Allen Publishing	8	(Export)	
UK Project Support Ltd	8	(Export)	
Brunton's propellers Ltd	11	(Technology)	
Comley & Barrow (Broker Services) Ltd	12	(Export)	
Esmil Process Systems Ltd	15	(Environment)	
Under 200 employees			
Export	60	73%	(92 Export Awards)
Technology	7	50%	(14 Technology Awards)
Environment	4	80%	(5 Environment Awards)
	71	70%	(101 total Awards)
Five overall largest winners are: (UK employees only)			
British Aerospace Airbus	7,577	(Export)	
Zeneca Agrochemicals	4,698	(Technology)	
Glaxo Research and Development Ltd	4,222	(Technology)	
Motorola Ltd GSM Systems Division	1,968	(Export)	
University of Manchester Institute of Science and Technology	1,914	(Export)	

Asthma patients in many countries know why

Once again we are proud to announce that Glaxo Wellcome Research and Development has won the Queen's award for Technological Achievement

This year it heralds the development of a novel dry powder inhaler which treats asthma patients in many countries

Now with a tenth award under our belts we mean to push ahead, in our continuing quest to keep people healthy all over the world



GlaxoWellcome

WE'VE JUST WON OUR TENTH QUEEN'S AWARD FOR TECHNOLOGICAL ACHIEVEMENT



WE'VE JUST WON OUR TENTH QUEEN'S AWARD FOR TECHNOLOGICAL ACHIEVEMENT

ENVIRONMENTAL ACHIEVEMENT AWARD

Accord Speciality Fibres, West Midlands, AirGlobe Technology Ltd, Hertfordshire, Thermotool Europe Limited, Hampshire, Trans Euro Plc, London, UK Project Support Limited, Norfolk, University of Manchester Institute of Science, Manchester, Walker Shetland Limited, Shetland, Woods Air Movement Limited, Essex.

TECHNOLOGICAL ACHIEVEMENT AWARD

Switzer Limited, Norfolk, Technical Absorbents Limited, Lincolnshire, Thermotool Europe Limited, Hampshire, Trans Euro Plc, London, UK Project Support Limited, Norfolk, University of Manchester Institute of Science, Manchester, Walker Shetland Limited, Shetland, Woods Air Movement Limited, Essex.

ENVIRONMENTAL ACHIEVEMENT AWARD

Accord Speciality Fibres, West Midlands, AirGlobe Technology Ltd, Hertfordshire, Brunton's Propellers Limited, Essex, Comitec Propellers Limited, Fife, Digital Engineering Limited, Belfast, Glaxo Research and Development Ltd, Middlesex, Glaxo Wellcome Limited, London, Hesketh Peacock Ltd, West Lothian, Immunodiagnostics Systems Limited, Tyne & Wear, Marathon Baking Ltd, Lancashire, Exhaust Gas Cooling Division of Serck Heat Transfer Limited, Birmingham, Snel & Wilcox Ltd, Hampshire, The Technology Partnership plc, Hertfordshire, Zeneca Agrochemicals, Surrey.

ENVIRONMENTAL ACHIEVEMENT AWARD

Jesus College Metal Group, Staffordshire, Esmil Process Systems Limited, Buckinghamshire, Eastman Products Ltd, Gaithersburg, Maryland, Zeneca Metal Extraction Products, Manchester.

SPORT

European Cup semi-final: Comments by Juventus' benefactor appear to have aided Alex Ferguson's cause tonight

Zidane plays into United's hands

HIS VISIT lasted only 10 minutes, but a lifetime in Italian politics has certainly taught Gianni Agnelli how to use the slightest opportunity to make an impact. With a couple of throwaway remarks this week, the honorary president of Juventus seems to have done Alex Ferguson's job for him, at least in terms of psychological warfare.

As Juventus prepared to meet Manchester United in tonight's second leg of their European Cup semi-final, the 78-year-old Agnelli - the former boss of Fiat, and Italy's most influential figure for most of the post-war era - made one of his quasi-papal visits to the Stadio Communale, the club's training centre. He talked to the coach, Carlo Ancelotti, and to the players. And, as is his way, he also gave a brief audience to the press, during which he was invited to comment on the stories circulating about the possible imminent departure of Zinedine Zidane, whose performance at Old Trafford a fortnight ago had been one of the finest of his career, but who is said to be homesick.

"He's not homesick," Agnelli said. "He's under his wife's thumb. And there's nothing I can do about it."

He may not be quite up to speed on the current state of sexual politics, but Agnelli's views on the relationship between men and women undoubtedly draw on direct experience of complexity and conflict. This is a man who, almost 50 years ago, injured himself quite badly when he crashed his Ferrari after his mistress, Pamela Churchill (later Pamela Harriman, the US ambassador to Paris), had found him in bed with another woman, also not his wife. A fluent French-speaker he will certainly be conversant with the doctrine of "cherchez la femme", in all its senses.

Agnelli told the reporters that he had asked Zidane who was the boss in his house. "He replied, 'Since we had our two sons, it's my wife.' I told him that I hoped that he would stay with us. The problem isn't Zidane, it's his wife."

Yesterday afternoon Zidane spoke to a reporter from *L'Equipe*, the French sports daily, and told him that he was upset by Agnelli's words, and by the way the whole business of a move had blown up. Last weekend, he said, he had given an interview to Italian journalists in which he reassured his sincere intention to stay in Turin until the end of next season, which marks the end of his present contract. He had woken up the following morning to find one newspaper, Turin's *Tuttopunto*, flatly contradicting his statement with a claim that he would be leaving this summer, in a matter of weeks - probably for one of the big Spanish clubs, since his wife is of Andalusian origin, and is said to be keen to move to a city closer to the sea.

Gianni Agnelli may be the most powerful man in Italy, and Turin may have been virtually his personal fiefdom for half a century, but not even he can move the Mediterranean nearer to the city in the foothills of the Alps. What he can do is unbutton his lip, and be went further during his visit by remarking on how nice it would be to have Ronaldo, in the colours of Juventus next season,



RICHARD
WILLIAMS
IN TURIN

playing alongside Alessandro Del Piero.

At his time of life, and from his position of eminence, Agnelli can say just about anything he likes. He has nothing to lose, and no one to fear. He loves football and footballers, particularly those who wear the black and white shirt, but a man who has had John Charles, Omar Sivori, Pietro Anastasi, Michel Platini, Paolo Rossi and Roberto Baggio on his payroll is unlikely to bend the knee even to a man who scored two goals in the last World Cup final and is Fifa's current player of the year. He may have felt that his remarks would have a stimulating effect on Zidane, or he may just have been saying what he thinks.

It is impossible to predict what effect, if any, his words will have on the great Frenchman's performance. Until Juventus rested Zidane last Saturday for their visit to Lazio, and then

"He's not homesick," Agnelli said. "He's under his wife's thumb and there's nothing I can do about it"

went and handed out a thrashing to the league leaders, his presence had been thought every hit as indispensable to their tactical scheme as it is to that of his national team.

At Old Trafford, in the first leg of the semi-final, he took the field with his right knee heavily strapped, having tweaked a ligament three weeks earlier. Yet, although completely lacking in match practice, he went on to give a masterful display, as notable for the unrelenting intensity of his physical commitment as for the artistry of his silken touch and the originality of his imagination. Goodness knows whether Agnelli's words will provoke or deaden his instinct to give a repeat performance tonight before a full house of 64,500 at the Stadio Della Alpi. Most probably, Zidane's urgent desire to add a European Cup winner's medal to the one he picked up in Paris last July will prevail over any topical irritation, particularly since he was on the losing side in the last two finals of the competition.

Ancelotti and his club captain, the underrated Antonio Conte, presented a serene and confident front when they shared a press conference yesterday afternoon. Without displaying a hint of arrogance, they nevertheless conveyed the impression that the harder part of the job had been done, and that a proper observance of their professional duties would

see the team through to the club's fourth consecutive European Cup final.

"This is going to be a very difficult match against extremely formidable opponents," Ancelotti said, more than once, and the thought was readily seconded by his captain, who spoke of the need for his team mates to maintain absolute concentration throughout the 90 minutes. Conte's goal at Old Trafford, the coach felt, had given them a slight advantage, but there would be no underestimating the size of the challenge presented by Alex Ferguson's men.

He paid tribute to the personal and professional qualities of the United manager, and acknowledged the depth of experience acquired by Ferguson after a dozen years at the helm of the club. It is only two months, by contrast, since Ancelotti became the 33rd man to take the coach's job at Juventus, the heir to the first man to hold the job, George Aitken of Scotland, and the successor to Marcello Lippi, whose four seasons in charge featured three league titles and one European Cup before he mysteriously ran out of steam in mid-February.

Reflecting on tonight's match, Ancelotti expected the same sort of tactics from both sides that we saw at Old Trafford. "Away from home," he said, "Manchester United play with the same attitude that they show in their own stadium. The mentality doesn't change."

He dismissed the idea of profiting from the possible absence of Ryan Giggs. "We have prepared ourselves to play a team, not an individual," he said. "It won't really affect the way we approach the game."

Similarly, he refused to be drawn on the potential inclusion of Teddy Sheringham, whose surprise appearance as a substitute at Old Trafford gave United the focus that enabled them to construct Giggs's late equaliser.

Didier Deschamps, however, had already warned about the possible dangers. "Giggs is a very strong competitor," the veteran French midfielder said, "and it would be better for us if he didn't appear. He's a player who always does well against us, even if only for a few minutes in the game. And there's Sheringham, who is a phenomenon in the air, and very hard to handle. But the first leg proved that when we play the way we want, pressing them high up the field, we can give them problems. But we let them back in. So we have to play for 90 minutes the way we played for the first hour in Manchester."

Agnelli said something similar. If Juventus could play for the whole 90 minutes of tonight's game with the sort of intensity and invention that they showed in the first half in Manchester, he observed, their success would be assured. "I can't guarantee that we can keep up that sort of rhythm through a whole match," Ancelotti responded. "We hope so."

But at least the honorary president's interventions did not seem to have impaired his sense of humour. To a player, Ancelotti remarked, winning the European Cup represented the highest possible ambition. "But for a coach, it's not quite as hard as keeping your job at this club."



Zinedine Zidane played a pivotal role for Juventus in the first leg but is now upset by speculation about his future

Empics

Bayern focus on European prize

BAYERN MUNICH seek to end a decade of frustration when they face Dynamo Kiev tonight for a place in the European Cup final. "This is the most important game for us in 10 years, even more important than the final itself, if we get there," said the Bayern general manager, Uli Hoeneß, whose men are firmly in the driving seat after snatching a 3-3 draw in the first leg in Kiev.

The Bavarians have collected plenty of domestic titles over the past few years and won the Uefa Cup in 1996, but success in Europe's showcase competition has eluded them since the last of three successive triumphs in 1976.

BY PATRICK VIGNAL
in Munich

strated that they can score anywhere.

The European Cup is the most beautiful of all titles and the most difficult to win," said Lothar Matthäus. "We want it. It is crucial for the club's image."

Standing between Bayern and their first final since 1987 (a 2-1 defeat by Porto in Vienna) are Dynamo Kiev, who have the

most exciting pair of strikers in Europe this season in Andriy Shevchenko and Seryh Rebrov.

"The 3-3 draw gives us an advantage but we must be careful," said the Bayern coach, Ottmar Hitzfeld, aware that Kiev have already demon-

aged a toe in a league match last week, has resumed training and will play Hitzfeld should also be able to call on midfielder Jens Jeremies, who has a sore thigh muscle but is back in training.

Bayern, seeking to become the first German club to win the European Cup and the domestic league and Cup in one season, are expected to field three strikers in Mario Basler, Alexander Zickler and Carsten Jancker.

"It would be a big tactical mistake to look for a goalless draw. We have to be aggressive," said Hitzfeld, who steered Borussia Dortmund to the European Cup in 1997.

Kiev relish counter-attacking and will know from the first leg, when they could have scored six, that Bayern's main weakness is their leaky defence. "We can score in Munich," said the Dynamo Kiev coach, Valery Lobanovsky. "The players know exactly what they have to do and that is to win the match. They can do it."

Hoeneß, who knows all about winning European Cups as a member of the formidable Bayern side of the 1970s, disagrees. "If we score a goal there's no way we can lose," he said.

BAYERN MUNICH (from left): Kahn, Matthäus, Böbel, Kuffour, Sczuka, Jeremies, Effrem, Danner, Basler, Zickler, Jancker. DYNAMO KIEV (from left): Shevchenko, Lutsyn, Golovko, Vaschchuk, Kaladze, Gerasim, Kharkevich, Beliavskiy, Kosoviy, Shevchenko, Rebrov.

Wrong again

Sir: I have read several articles (including the one in your newspaper) bemoaning the fact that Wigan Athletic beat Millwall in the final of the Auto Windscreens Shield.

I'm struck with a real sense of *déjà vu*. I went to Wembley in 1985 when Wigan beat Brentford under similar circumstances the inaugural year of the Freight Rover Trophy. The national press (based in London, significantly) pre-judged the game in the same manner.

Brentford were bound to win, according to every report, but it didn't go according to plan - they were soundly beaten.

This time Millwall couldn't fall, could they? After all, they'll have 45,000 fans and Wigan will shrivel and die. Apparently not. For a second

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SPORTS LETTERS

Coors' view

Sir: I was surprised to read the letter from Carl Crook (Rix Silence, 9 April) and I would like to take issue with a couple of points raised.

First, Coors are not a major sponsor of Chelsea FC - our sponsorship ended in 1997.

Second, any relationship which we have or have had with the club in no way reflects the company's position on anything other than our support for the game of football.

KEN HECHE
Commercial Director,
Coors Brewing International,
Richmond, Surrey.
by e-mail

inflated wage. If, while in contract, the player then seeks a move to another club, there will be a transfer fee. More importantly, as with any other employee, the player will be reluctant to take a drop in wages.

An example of this secondary effect occurred earlier this season when Patrick Kluivert requested a transfer from Milan. Manchester United and Arsenal were interested in buying Kluivert, but he demanded his Milan wage of £40,000 per week - a figure that was over-inflated by his previous free transfer.

Dare I suggest Steve McManaman will become the

second high-profile player to suffer the same problem.

Under the Bosman ruling, football clubs have no right to buy and sell players as commodities at the expiry of their contracts. The primary effect of this has been for clubs to offer ever-higher salaries, rather than ever-higher transfer fees, to secure the services of unattached players.

However, there is a secondary, and more important effect. When a player is transferred to a club under the Bosman ruling, because there is no transfer fee involved the club can afford to pay the player substantially higher over-

second high-profile player to suffer the same problem.

Under the Bosman ruling, football clubs have no right to buy and sell players as commodities at the expiry of their contracts. The primary effect of this has been for clubs to offer ever-higher salaries, rather than ever-higher transfer fees, to secure the services of unattached players.

Dare I suggest Steve McManaman will become the

cauldron of Madrid? Probably not. But then who is going to buy him back on wages of £50,000 a week?

GARY JACOB

St Catherine's College,

Oxford.

Out of line

Sir: If referee Paul Durkin, had seen Graeme Le Saux assault Robbie Fowler during the infamous bottom waving incident, Le Saux would have received an automatic three-match ban for violent conduct. Instead, he received a one-match ban while Fowler's sentence was two matches. This decision seems to imply that the FA does not

regard violent play as being as serious as verbal abuse or provocative conduct.

GERARD HUNT

Hemel Hempstead, Herts.

Uefa right

Sir: Far be it for me to defend Dennis Wise, whose appalling disciplinary record speaks for itself, but Uefa have surely made the proper decision by dismissing the "biting" charge against him.

It was quite clear from the television that the Real Mallorca defender was "raking" his fingers on Wise's neck and equally obvious that the Chelsea captain hit nothing but fresh air.

The incident was yet another example of a player being tried and found guilty by television and the lower forms of the press.

TERENCE KERRIGAN

Blackheath, London.

Johnson

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South A
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is new

all ready
Warwick

Johnson

Johnson

Johnson

Painful lessons of Imola heeded by Hill

A PHOTO shoot in the heart of London to launch a limited-edition Jordan Honda Civic road car and a Jordan Honda motorbike, both in the distinctive yellow livery of the Formula One car, could have been a million miles from a grand prix circuit, let alone the spectre of the sport's darkest weekend in recent times, but the memories inexorably closed in on Damon Hill yesterday.

The weekend after this, the former world champion will be at Imola for the San Marino Grand Prix, an event that will mark the fifth anniversary of

MOTOR RACING

By DERICK ALLSOP

the deaths of Ayrton Senna and Roland Ratzenberger.

Hill, who was Senna's teammate at Williams, has since been a leading agitator for improved safety standards in Formula One and is adamant that complacency must never divert the drivers or the sport's governing body, the FIA, from the campaign to save lives.

"The history will be on people's minds," Hill said. "It was a dark weekend and mercifully things have been good for us,

and the safety of cars and circuits have improved since then. There was some concern of over-reacting immediately after that race, but I think we are now getting the balance right between the thrills and excitement and the safety."

"The important thing is we still have lively discussions between the Grand Prix Drivers' Association and the FIA, and that must be continued to respect the memories of Ayrton and Roland, and any other driver who has lost his life in Formula One."

"Nothing must be brushed under the carpet. It is not

acceptable if people are hurt. I keep suggesting things and little by little, cars have become safer."

"If there were unacceptable dangers we wouldn't race, but there are still places that are riskier than we would like and we hope something will be done about that. I don't want to be specific, but usually they are the faster circuits."

"The risk should not be your life. That's not an acceptable approach now. The fear and bravery should be about performing better. Failure should be no more than embarrassment, spinning into the gravel trap and not ending up in hospital."

"Heinz-Harald Frentzen has finished second and third.

"I've been out for a duck so far, so I'm aiming for points next week," the 38-year-old Englishman said. "But the car is good and quick, so the opportunity is there and I'm sure it will get better through the season."

"Heinz-Harald has surprised me. He seems to have dropped on the ground running. I don't

understand why that form was not apparent when he was with Williams. But Jordan is quite a different environment."

"The fact he's started so well is not a burden for me. It just sets the target for me. There's always rivalry between drivers but we're not fighting for the championship. There's no grudge. We are fighting for the team. I'm optimistic things will go well and we'll be at the front."

McLaren-Mercedes and Ferrari emerged as one and two in Brazil earlier this month but Hill does not accept third place must be the limit of Jordan's aspirations this season.

He said: "There's no reason why we shouldn't push for better than third. I think McLaren will take some beating but we could move ourselves into a position to be second. I would be disappointed if I didn't win this year. You should always aim as high as you can."

"I'm not thinking beyond this season, about retirement or anything like that. I've trained very hard for this year. Perhaps because I'm 38 and the ramp is working against me. I've trained harder to resist the natural gravity. I should be in good form and



Hill: Safety campaigner

look forward to the chance of a full race.

"My contract runs out this season so I'm aware there is a performance aspect as to what I do in the future. You can never sit back and wait for it to come to you."

South Africa choose Ford as new coach

GRAHAM FORD, the former local provincial second XI cricketer, was named as successor to the high-profile Bob Woolmer as the South African national coach yesterday.

The 38-year-old has agreed a three-year contract, ending weeks of speculation following Woolmer's decision to stand down after the World Cup in England ends in June.

"He is youthful, enthusiastic and committed," Ali Bacher, the United Cricket Board of South Africa's managing director, said yesterday. "He is a good organiser, has good people skills and has a professional approach."

Ford captained Natal B for several seasons in the 1980s but never played in top flight South African cricket. His record as a coach, however, has been outstanding. He guided Natal to a rare South African league and cup double in 1995-96 and has twice coached the South African A side on tour. He also proved popular with the players when he was assistant to Woolmer for the recent tour of New Zealand. Woolmer, a former England Test opener, has been linked with the job as England coach in succession to David Lloyd, who has also said he will step down after the World Cup.

"I'm honoured to be following in Bob's shoes and continuing the good work he has done, although it is a huge challenge," Ford said.

Sir Alan Pollock, South

CRICKET

By BRIAN MCKENNA

Africa's vice-captain and fast bowler, has played most of his first-class career at Natal under Ford's guidance and the captaincy for some years of the West Indian, Malcolm Marshall. "Fordy and Malcolm took a young inexperienced team and turned us into something special," Pollock said. "He did a brilliant job and I'm pretty certain he'll do an excellent job in charge of the national team."

The Western Province coach, Duncan Fletcher, who has a three-year contract with Glamorgan, was believed to be the UCB's first choice, but his County Championship commitments ruled him out. The former South African players, Hylton Ackerman and Peter Kirsten, both coaching at provincial level, were also considered for a post which Ford had initially said he did not want as he feared it would take him away from his family too frequently.

"We are only out of the country for five months in the next two years and the schedule isn't as bad as I thought," said Ford.

Pollock said: "Because he never played Test cricket he doesn't have any ideas that are set in stone. He listens to every problem with an open mind."

Talk Radio wins rights to England's winter tour

Page 10



Lancashire's Ian Austin keeps in a relaxed mood at Lord's yesterday as his side's Championship match against Middlesex failed to escape the rain. Craig Prentis/Allsport

Austin revels in big finish

Old Trafford's cult figure is just the sort of bowler England will need for the World Cup - a cool-headed limited-overs specialist. By Adam Szreter

Wasim Akram, his former county captain who has described Austin as "the best death bowler I have ever seen", referring to Austin's priceless record of bowing tightly at the end of one-day matches.

Back at Lord's this week on county duty, following his stint in Sharjah with England and looking ahead to his involvement in this summer's World Cup, Austin reflected on the Pakistan captain's generous appraisal: "It's a great compliment and just a pity he wasn't an England selector a few years ago," he said. "My call-back came a bit late in the day and I know he pushed my case a couple of times before that."

That case is based on consistency and a temperament for the big occasion. After winning the Gold Award in the 1995 Benson and Hedges Cup final, Austin was last season's man of the match in the NatWest final, taking 3 for 14 from 10 overs after Wasim himself had been clattered to all parts of the ground by Derbyshire's batsmen.

That achievement, allied to the following explanation, was enough to earn Austin the unlikely accolade of being named as one of Wasim's five cricketers of the year for 1998. "Nowadays, it is a rarity for someone to come along and es-

terred to Hasingden in the Lancashire league, following in his father's footsteps. A keen footballer and a Burnley supporter, he joined Lancashire in 1986, primarily as a batsman who could bowl, but the quality of Lancashire's batting and the relative dearth of seam talent pushed him in the other direction.

"I try not to get flustered. If you're bowling at the end of a game you've got to think like a batsman - a lot of it is mind games."

His value in limited-overs cricket was soon apparent, but it took him longer to become the key member of Lancashire's Championship side he is now.

"He is Lancashire to the marrow. When he succeeds there is a special cheer in the Old Trafford pavilion because they regard him as one of their own. There ought to be dozens like him, but there aren't." Austin was born in and played

but struggled on unsuitable pitches recently in Sharjah.

If he does make the team for the World Cup, though, the fielding of a player once described as looking like "a stoker on a merchant steamer" will be scrutinised almost as much as his batting and bowling.

"It's no secret I won't be the most athletic bloke on the field," he said, "but I've got a good pair of bands and without digging myself too big a hole, I don't drop too many catches. I've got a good arm as well."

And with little more than three weeks to go before the tournament starts, surely someone as level-headed as Austin has not been dreaming of bowling the last over in the World Cup final with, say, nine runs between England and victory?

"Not recently," he said. "I probably dreamt about it as a kid. But I'll worry about that if the situation arises and I'd back myself to do it. I'm confident enough, I know what I want to do and hopefully we'd canter through that, lift the World Cup and have a good night after all."

Bell ready to sign for Warwickshire

WARRICKSHIRE HAVE offered the England Under-19 batsman Ian Bell a two-year full-time contract.

The 17-year-old emerged as the star of the England Under-19 tour of New Zealand during the winter and Warwickshire have moved swiftly to head off interest from other counties. Bell intends to continue his A-level studies at Princethorpe College, near Leamington, but cricket will take priority. Bell has played for Warwickshire teams since he was nine years old and, although he was not even registered when he went to New Zealand, he is certain to commit himself to his native county.

Meanwhile, the second day of Warwickshire's County Championship match against Somerset at Edgbaston was washed out yesterday. Warwickshire had been given permission by the England and Wales Cricket Board to use the

THE ROSES match of last August proved a notable success for Lancashire in their valiant but ultimately vain attempt to catch Leicestershire at the top of the Championship table. But it was memorable for more than that. John Crawley's 180 in the first innings equalled the fourth-highest score by a Lancashire player in Roses matches and when the 12th man, Richard Green, walked out to bat in the second innings it became the first occasion that 12 different players had batted for Lancashire in a Championship fixture.

The cause of this apparent conundrum was the surprise call-up of Ian Austin to the England side to play Sri Lanka in a one-day international at Lord's. After contributing 49 to the first-innings total, Austin packed his bags, headed south and, one way or another, has been surprising people outside of his native county ever since.

Now 33, even Austin's most ardent admirers, and probably the player himself, had long since given up on his chances of representing his country. Among those admirers was

Wasim Akram, his former county captain who has described Austin as "the best death bowler I have ever seen", referring to Austin's priceless record of bowing tightly at the end of one-day matches.

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Johnson targets return in Sydney

BEN JOHNSON's hopes of competing at another Olympic Games rose yesterday when a Canadian judge ruled that he should be reinstated following his life ban for doping. Athletics Canada, the country's ruling body, will now support the 38-year-old sprinter in an unprecedented appeal to the International Amateur Athletic Federation.

Graham Mew, the Canadian adjudicator, ruled that Johnson - infamously stripped of his 1988 Olympic title for steroid abuse - should be allowed to return because there had been procedural errors in the case which saw him banned from the sport for good in 1993.

Mew said Athletics Canada had "inadvertently failed" to comply with IAAF rules in that it had misinformed Johnson

mean Johnson will be competing on an organised level in Canada or abroad just yet. It also does not vindicate the athlete over the drug test in Montreal. "I'm very happy but I don't have time to jump around and celebrate," Johnson said. "I still can't compete and we still have some things to do."

Johnson returned to the sport after serving a two-year

ban in the wake of the 1988 Olympics and reached the 100 metres semi-finals at the 1992 Games in Barcelona. But a year later he tested positive for steroids once again, thus incurring an automatic life ban. Johnson's case will have to proceed without a hitch if his Olympic ambition of running at next year's Olympics in Sydney is to be achieved.

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Giorgio Reineri, spokesman for the IAAF, said the case was unlikely to be considered by the IAAF Council until November. He said he could not anticipate the IAAF's view of which contained a number of "juridical problems". Even if Johnson's request were granted there would have to be a period of at least six months in which he could undergo tests before any return to competition.

Reineri said that Athletics Canada which has done much in the last 10 years to clamp down on doping abuse, was legally bound by the adjudicator's judgment.

Johnson's winning time of 9.79sec in Seoul 11 years ago has never been bettered, but if his campaign to return is successful he is unlikely to better any of today's leading sprinters.

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BLYTH TAIT would add an extra dimension to next month's Mitsubishi Badminton Horse Trials if he were to win the Rolex Kentucky Three-Day Event on April 24-26 this weekend. The New Zealander won Burghley last year which, together with Kentucky and Badminton, offers a grand slam prize of nearly £160,000 to any rider who wins all three contests.

Tait will be the 50th anniversary for Badminton, which runs from 6 to 9 May. The Queen, who last attended the event in 1983, will be back to present the prizes on the final day.

As always, there will be a high-class field, with seven of the top ten horses at last year's World Equestrian Games among the expected starters. Tait, on Ready Teddy and the other brilliant Kiwi pair, Mark Todd on

a long wait before he partners Arakai, who is second last of 91 horses in the draw. These are likely to reduce to between 75 and 80 by the time of the event.

Hugh Thomas, director and course designer, has prepared a serious cross-country challenge. The daunting obstacles include The Challenger Bank (fence 15), where Ready Teddy fell last year, and a double of roll-top fences into water followed by another on a jetty at The Lake (18 and 19).

When they walk the four and a quarter mile course, riders will also be paying close attention to The Shogun Hollow (21), which has tree trunks on either side of steeply sloping banks down to a ditch, and The Quarry (24), where there are two more trunks and a sizeable drop to be taken.

Only one Festina rider was 'clean'

ALL BUT one member of the Festina team, including the French cyclist Richard Moreau, showed evidence of EPO (erythropoietin), in blood samples taken during last year's Tour de France, according to excerpts from a medical report published yesterday in the sports daily *L'Equipe*.

The report confirmed that all the team's riders except Christophe Moreau showed evidence of EPO (erythropoietin), in blood samples taken during last year's Tour de France, according to excerpts from a medical report published yesterday in the sports daily *L'Equipe*.

than an hour by a French judge investigating the Tour doping scandal has consistently denied he took performance-enhancing drugs. The Festina team, who admitted to widespread doping at the Tour and were expelled, dropped Virenque in November. He then signed for Polti.

Tait eyes grand slam

EQUESTRIANISM

By GENEVIEVE MURPHY

Broadcast News, will renew

their rivalry having filled the top

two places in the World Games.

Tait won on that occasion but, under the new scoring system which comes into effect this year, Todd would have been the victor. The scoring is intended to be simpler, but it is bound to cause some confusion until everyone gets to grips with the new rules.

Busy days at a high court for punters

A steady flow of disputes between bookmakers and their customers keeps business brisk at the betting industry's fledgling arbitration service. By Greg Wood

ANGER, BITTERNESS, frustration, perhaps a rogue or two trying to spin a yarn, and even an unfaltering write-up in *The Sun* – it is all part of the job for Chris O'Keeffe. He has a perch 19 floors off the ground in Canary Wharf's skyscraper, but O'Keeffe, who runs the Independent Betting Arbitration Service (IBAS), spends his time mining at what he calls "the coalface" of Britain's gambling industry. If you think that a bookie has done you wrong, it is IBAS that will try to sort them out.

It is six months since IBAS was launched, at a press conference which did not go swimmingly. The assembled journalists chewed up and then spat out O'Keeffe's boss, when they heard that the names of IBAS's panel members – who would adjudicate on betting disputes – were to be kept secret.

The decision was reversed, but not in time to rescue the coverage in the next day's papers.

In the time since, though, O'Keeffe and his two staff have been quietly working to get the first world-wide attempt to provide fair, impartial arbitration in betting disputes off the ground. The vast majority of the country's 9,000 betting shops are now registered with IBAS, and displaying its blue logo to

advertise the fact. Forms from disgruntled punters, applying for arbitration, arrive at the rate of about 20 each week, and by yesterday, the panel had given a final adjudication on 158 disputes. Of these, 130 are in favour of the bookmaker, and 28 found for the punter.

It has been a slog to get this far, but not everyone has been impressed. When early figures indicated 80 per cent of judgements were coming down in favour of the bookies, *The Sun* published a denunciation of the service. The fact IBAS is run by *Mirror Group Newspapers* may have had something to do with the article's tone.

It was a low blow, given that so many punters read *The Sun*.

"We took a lot of calls afterwards," O'Keeffe says, "people saying that they understood now that we're just interested in bookmaker protection. I took it personally because it was an insult to my integrity and that of everyone who works here.

We'd be quite happy for anyone to come along and take a look at what we're doing here. That was damaging and cheap."

In fact, it is surprising that even 20 per cent of IBAS's decisions are in favour of punters, since bookmakers are unlikely to go as far as arbitration un-

less they think they have a very solid case. But regardless of the figures, the important point is that punters, who for so long had no worthwhile consumer protection at all, now have a visible, professionally-run organisation to which they can turn if the need arises.

What went before was little better than anarchy. The Green Seal Service, run by *The Sporting Life* (now defunct), was an ad-hoc collection of *Life* journalists, sometimes simply the ones with nothing better to do for an hour. It was anonymous and capricious, and could sometimes pass judgement on a dispute without even contacting the bookie involved.

Now, IBAS makes sure both sides have their say, although as O'Keeffe admits, "it is a unique industry, and there are a lot of primitive practices on both sides".

Bookmakers who apply to register with IBAS, for instance, must submit a copy of their rules. Some, he found, did not actually have any rules of their own. "People say to me, 'I operate under William Hill's rules, but what they mean is that they'll operate under Hill's rules when it suits them and some one else's when it doesn't.'

One of the most valuable



Chris O'Keeffe yesterday: 'Bookmakers have got to be ready to compromise more'

results of IBAS's work so far is a growing database of betting-related disputes, which offers an intriguing insight into the nature of the British punter. The sheer complexity of some bets is baffling, meticulously-constructed card-castles of hope involving a dozen or more sides.

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The traditional mad rush to the betting window just before a race starts also leaves many people disappointed. O'Keeffe spends plenty of time explaining to people that bets placed

through the machine are void. He is also amazed by the number of punters "who have 2500 bets out with instructions that are completely ambiguous" but also annoyed that bookies are often too quick to resort to an excuse that a price or bet they have accepted is a "palpable error", which relieves them of the need to pay out.

Problems arise too with football coupons, bets on unnamed favourites, the 49s numbers game, indeed just about anything on which it is possible to risk \$10. Eventually, O'Keeffe hopes to head off some disputes before they arise, by showing bookmakers where there are gaps in their rules, or particular problems with the processing of certain bets.

"We're not going to change things overnight, but we will change things," he says. "Bookmakers have got to realise that these people are not just punters, they're consumers. This umbrella, 'palpable error', wouldn't be accepted by any

other group of consumers. The bookies have got to be ready to compromise more."

IBAS is not perfect. For one thing, its decisions are not legally binding, although a bookie who refuses to abide by a verdict will be struck off their list. But if you think that you're a winner, and your bookie tells you otherwise, there is now something you can do about the dispute which is far more practical than simply moaning to anyone who will listen down at the pub.

Andrew Buurman

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FIRST SHOW

EPSOM 2.05					
	C	H	L	B	T
Stylish Ways	51	72	51	42	62
Bindell Lane	54	61	51	51	74
True As Sharp	51	71	51	71	74
Horizon	52	71	52	71	74
Joyrider	51	71	51	51	74
Javelin	51	51	51	51	51
White Est.	51	51	51	51	51
Carbon	51	51	51	51	51
The Fugitive	51	51	51	51	51
Hercy Dawn	51	51	51	51	51
Red Petrol	51	51	51	51	51
Bindell Lane	51	51	51	51	51
True As Sharp	51	51	51	51	51
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White Est.	51	51	51	51	51
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Richmond chase European jackpot

AS RECENTLY as three and a half weeks ago, a Wednesday night mid-table match between Newcastle and Richmond at wet and windy Kingston Park would have generated about as much excitement as a William Hague rally in the Rhondda.

That was then. The European Cup accord hammered out in Paris last month guarantees that tonight's match will send pulses racing, pacemakers ticking out of control and Premiership passions soaring to previously unexpected heights. The Tigers of Leicester may already have one paw on the trophy, but the fun and games will go down to the wire.

Both Newcastle, eighth in the table, and Richmond, one place further back, are ready to fight tooth and nail for a top six finish and a seat on the European gravy train. John Kingston, the Londoners' coach, has taken to playing down that ambition in public: "I don't expect us to make Europe, so we are just going to relax and enjoy ourselves," he said yesterday—but no one believes a word of it; more than

RUGBY UNION

BY CHRIS HEWITT

any top-flight club in English rugby, Richmond could use the £500,000 or so expected to bolster the bank accounts of those who qualify for next season's élite 24-team competition.

With Leicester and Northampton certain to make the cut, seven sides—London Irish, Bath, Wasps, Saracens, Harlequins and tonight's contestants—are effectively chasing four places; remarkably, tonight's little tête-à-tête in the North-east is only the first of 10 matches between the direct contenders scheduled for the remaining 26 days of the campaign. "It's certainly too early to call the European outcome; there are so many key games between the main players still to come," pointed out Rob Andrew, Newcastle's chief executive and incapacitated play-making talisman.

All the same, the positions of Newcastle and Richmond on the outer fringes of the contest deny them the luxury of a single fail-

ure. The Falcons, unbeaten in league rugby at their Geordie home since January 1996, go into tonight's game without Andrew, who dislocated a shoulder in the dying seconds of Sunday's ferocious set-to with Wasps, and may well have to do without three other international backs. Jonny Wilkinson (twisted ankle), Vaiga Tuigamala (strained knee) and Tony Underwood ("dead" leg) are all doubtful with Premiership novices David Walder, Jamie Noon and Tim May standing by.

Harlequins, also in the

North-east tonight for a "must-win" game at West Hartlepool, are so fearful of committing a costly faux pas against the Premiership's bottom club that they have recalled Jason Leonard, Keith Wood, Zinzan Brooke and Chris Shears, a forward quartet boasting nearly 250 Test caps. "We have 23 points and there are 12 more available to us," said John Gallagher, the Quins' manager. "Of those, 12, I think we'll need nine; it seems 32 points might be enough to do the job."

If Europe's sudden re-appearance on the agenda is giving players and coaches some late-season palpitations, they are nowhere near as stressed out as the fixture planners. The theory that at least two Premiership One clubs would fold before next September, thereby reducing the size of the top echelon from 14 to a more manageable 12, appears to be fading. Richmond, currently in administration, remain confident of a successful relaunch, while Bedford are close to finalising a new investment package that would secure their immediate future.

Frank Warren, the boxing promoter who bought into Bedford two years ago, is expected to sell his interest to join back-benchers by the end of the week.

If next season's Premiership

stays at 14, the most successful clubs could play as many as 31 fixtures between the World Cup final on 6 November and the end of a season already expanded to accommodate the move to a Six Nations international format. The planners still say the campaign will end in May, but they refuse to say which May.

REACHING THE LEAGUE TROPHY

final was overshadowed by disciplinary excesses. Donewald accrued a total of £900 in fines and suspension from four games.

England international Yorkie

Williams and American Rico

Aldersoo were also suspended

for the last third of the season

in Derby's history, by virtue of

their part in the brawl which

TOWCESTER

HYPERION
2.10 Inclination 2.40 The Campodontian (nb) 3.15
Come On Elish 3.45 Trade Dispute 4.20 Gale To 4.50 TAKE MY SIDE (nap) 5.20 Hurricane Jane

GOING: Good to soft (Good in straight). Right-hand, undulating circuit, 1m 40yds.

Course is on A5 SE of town. Bus service from Northampton station. ADMISSION: Members £10 (appr £10); Tattersalls £9 (appr £9); Course £5. CAR PARK: Free.

LEADING TRAINERS: O'Neilhouse 30-84 (57%), Mrs J Pittman 13-55 (23.2%), K Bailey 13-55 (23.2%), Mrs C Bailey 12-17 (50%).

LEADING JOCKEYS: A Maguire 10-86 (20.5%), N Williamson 17-98 (25.9%), W Mortimer 10-97 (25%), A McCay 10-72 (9.4%).

FAVOURITES: 105-507 (58.5%).

TONGUE STRAPS: Devil's Devil 2.40, Mill O' The Fleg 3.45, elegant Fan 3.20, Oldest Photo 3.20.

BLINKERED FIRST TIME: Side On (315), Stamford Hill 2.10, Miss Chiquita 2.10, Red River 2.40, Redgrave Wolf 3.15, Bad Bertrich (visored, 315), Gracian Lark 3.45, Mine's An Ace 4.20.

2.10 TOWCESTER MEANS BUSINESS NOVICE SELLING HURDLE (G) £2,000 added 2m

1 402/3 INCLINATION (10) Mrs M Strong 5 11 ... Mr J Strong 7 (2) ...

2 030/3 KATHERINE PET (10) Mrs M Strong 5 11 ... Mr J Strong 7 (2) ...

3 00-0 DOCTOR HICKS (10) L Waddington 5 11 ... Mr J Waddington 7 (2) ...

4 04/49 MONTONE (10) Mrs McCay 9 10 ... Mr J McCay 7 (2) ...

5 00/09 RATHUNE (10) Mrs J Curte 7 10 ... Mr J Curte 7 (2) ...

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11 00-0 TOWCESTER MEANS BUSINESS NOVICE SELLING HURDLE (G) £2,000 added 2m

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Film star ruse may aid Bosman clubs

CLUBS COULD force players to honour their contracts even if Fifa decides to implement a new law updating the Bosman ruling, according to a leading sports lawyer. The world governing body is reportedly considering handing complete freedom of movement for players, allowing them to demand transfers even if they are tied to long-term contracts.

However, Ken Foster, a lecturer in sports law at Warwick University, insists that clubs could fight back by employing

BY IAN RODGERS

a method used by film-makers Warner Brothers earlier this century to keep hold of their star, Bette Davis. Under that ruling, clubs could not force players to turn out for their team, but could stop them going to another club.

Foster said: "Employers cannot force workers to work for them - that is akin to slavery and clubs could not force a player to play for them. But there is a precedent from the

1930s involving the actress Bette Davis. She tried to walk out on a long-term contract with Warner Brothers film studios. They told her that they could not force her to work for them but they could issue an order which prevented her from working for any other studio."

Foster believes that English clubs could also follow the example of clubs in the Spanish league who have inserted clauses into players' contracts. "There was a clause inserted into Ronaldo's contract at

Barcelona - I would call them penalty clauses - saying if the player moves, a large compensation fee has got to be paid by the player to get out of the contract," Foster said.

Fifa has yet to make a final decision on the form of the amendment to the ruling will take. "We are constantly working on amendments to regulations on players' status and transfers and they are among other amendments, working on amendments to do with the Bosman ruling," a spokesman

said. "Basically, as the legal situation in Europe evolves, regulation must evolve to adapt and it is an on-going process."

South Africa is to invite the four other African countries seeking to stage the 2006 World Cup finals in Johannesburg to discuss a unified bid. The summit is to be held next month and follows a visit last week to Egypt and Morocco by the South African deputy tourism minister Peter Mokaba, and Danny Jordaan, the chief executive officer of

South Africa's bid committee. The summit is to be convened by the South African sports minister, Steve Tshwete, and invitations will be sent to the sports ministers of Ghana and Nigeria as well as Egypt and Morocco, the four other African countries in the race for 2006.

"It is imperative that Africa presents just one candidate if it is to win the bid," said Jordaan.

The South Africans are hoping that the meeting will persuade the other four African

candidates to withdraw from the race. They are also keen to include key figures from the other African countries on their bid committee to present a stronger case for a first World Cup finals to be held on the African continent.

The idea for a summit follows an appeal by the Confederation of African Football president, Issa Hayatou, for a single African candidate. Brazil, England and Germany are the other countries bidding for the 2006 finals.

BY STEVE TONGUE

THE CHELSEA player-manager, Gianluca Vialli, yesterday admitted to making a tactical error in Sunday's 2-2 draw at home to Leicester; which may have cost his side any real hope of winning their first League championship for 44 years.

Chelsea were 2-0 up and coasting until Leicester's Steve Guppy and substitute Ian Marshall began taking their defence apart in the last 20 minutes. The visitors scored two late goals to prevent Chelsea moving within a single point of Manchester United at the top of the Premiership.

Vialli defended the decision to send on Michael Duberry for Albert Ferrer in order to combat Marshall's aerial strength, but said he would have changed at that stage to a back four instead of persisting with three centre-backs, plus wing-backs. The system had been changed from 4-4-2 for the first time since the game at Derby in December, when a late equaliser also cost two points.

"I made a mistake which I take full responsibility for, because it's our responsibility to pick the right players and make the right substitutions," he said. "In 10 minutes we almost threw away what we've done for 10 months, but it happens in football."

Vialli agreed that the title now lies between United and Arsenal, who moved back in front of his team by thrashing Wimbledon 5-1 on Monday. "We have to learn from Manchester United to put the ball in the back of the net as often as possible, and from Arsenal in the way we defend and from their consistency and great spirit," he said. "It's now in their hands. We are third and will try to win the next five games, but I don't think it's going to be enough. We hope we're going to have a positive reaction. You might be disappointed but you have to look at the next match."

That next game is the European Cup-Winners' Cup semi-final, second leg away to Real Mallorca tomorrow, which Chelsea must win. After being held 1-1 at Stamford Bridge they are optimistic that their goalkeeper, Ed Goey, will be able to play despite a broken toe on his kicking foot, sustained towards the end of Sunday's match.

De Goey has played in more games than any other Chelsea player this season - 46 out of 50. He missed the first leg of the first-round European tie against Helsingborgs, when Dmitri Kharine made one of his four appearances. Kharine and Kevin Hitchcock will both travel to Spain today as cover, but there are no other injury problems.

Scots set earlier kick-offs

THE SCOTTISH Premier League yesterday announced that the final fixtures of the season will kick-off at 12.30pm on Sunday, 23 May. Under the original agreement signed 12 months ago between the Scottish Premier League and Sky TV, the matches were scheduled to start at 6.05pm.

However, following further consultations between those two parties as well as the police and supporters' representatives, it has been agreed to bring the kick-offs forward.

Roger Mitchell, the SPL chief executive, said: "Sky and the police authorities are to be commended for their flexibility. It has been an extremely complicated process but we are hopeful that it will prove popular with fans and viewers alike.

The Scottish Third Division side have confirmed they will stand by their 29-year-old defender after he admitted to taking cocaine, LSD and ecstasy for the last 12 years. He has agreed to have drug counselling, probably near his Edinburgh home, and will miss the club's last three matches of the season as he begins his rehabilitation progress.

It was widely expected that Neil, who recently signed a new two-year contract, would be sacked by the club. However, in a statement authorised by the chairman, Tom Davidson, Berwick said "to a man" they were supporting the player.

The board of Berwick Rangers must advise that Martin Neil will be given every support during most traumatic time," it read. "To a man, management, playing staff and the board are behind Martin and will endeavour to bring

him through whatever remedial progress is deemed necessary. The assistance and advice offered by the Scottish Football Association and the Scottish League will be most gratefully accepted."

Paul Smith, the Berwick manager, said: "I spoke to Martin today and he has agreed to counselling. That is the most important thing at the moment and we hope to see him back next season."

Neil's revelations will probably prompt the SFA to step up the number of random drug tests among players next season, after Neil claimed he had never been tested. Tony Higgins, secretary of the Scottish Professional Footballers' Association, said: "The SFA make an assessment at the end of every season about the number of tests that have been taken. No numbers are made public but I am certain the procedure will be stepped up."

"I am sure Neil's case is a special one, considering the number of drugs he says he has taken over the years."

Anelka anxieties haunt Wenger

BY BILL PIERCE

THE MISERY of moody Bleu Nicolas Anelka remains the one blot on Arsenal's landscape as Arsène Wenger sounds the bugle for the Gunners to continue their dogged and relentless Premiership title pursuit of Manchester United.

The Frenchman was unable to bathe in the warm glow of his team-mates' satisfaction after they lifted the gloom of last week's dramatic FA Cup semi-final exit against United with an emphatic 5-1 victory over Wimbledon. The new hero of post-World Cup France, a 20-year-old giant with the natural talent to become his country's No 1 striker for years to come, was dropped for last night's game at Highbury which lifted Arsenal to within a point of the leaders.

Anelka cut a lonely figure,

PREMIERSHIP TOP THREE

	P	W	D	L	F	A/Pts
Man United	33	19	10	3	32	67
Arsenal	33	17	13	3	34	66
Chelsea	33	17	13	3	49	64

REMAINING FIXTURES

Manchester United: Sunday, Leeds United (away); 5 May; Aston Villa (home); 5 May; Liverpool (a); 8 May; Middlesbrough (a); 12 May; Blackburn Rovers (a); 16 May; Tottenham (h). Arsenal: Saturday, Middlesbrough (a); 1 May; Derby (h); 5 May; Tottenham (a); 8 May; Leeds (a); 16 May; Aston Villa (h). Chelsea: April 24: Sheffield Wednesday; 1 May 1: Everton (h); May 5: Leeds (h); May 8: Tottenham (a); May 16: Derby County (h).

unemployed and unheralded on the substitutes' bench after a personal nightmare in the semi-final replay six days earlier. Now Wenger faces critical decisions over the loss of form of the young man he snatched from Paris St-Germain two years ago and who, last season, splendidly accepted the challenge of replacing the club's record marksman, Ian Wright.

Anelka scored the FA Cup final goal against Newcastle which clinched the Double and brought him a fat new four-year contract last summer and since then has added 15 more this season. But he has not scored in seven games since the end of February and rumours of his unsettled life in London just will not go away.

Wenger was again obliged to deny suggestions that Anelka, who admits he cherishes the idea of one day playing in Spain, will be up for sale in the summer. "Nicolas is not going anywhere," Wenger insisted as he patiently explained why Anelka was dropped for the second time in four games. "People



Patrick Vieira (top) celebrates with Nwankwo Kanu after the Nigerian scored his second goal and Arsenal's fifth in Monday's 5-1 win over Wimbledon

Vialli: 'I made tactical mistake'

Henn
can ta
solace
defea

seem to forget that he is only 20 years old and has played so many games for us this season. There is intense pressure on all these games and it was clear to me he needed a rest but that doesn't mean he won't come back into the team."

But the introduction of Nigerian giant Nwankwo Kanu for his full Highbury debut in Anelka's place gives Wenger a dilemma for the five remaining games in which just one slip could destroy the dream of retaining the title.

Consistently brilliant Kanu scored one goal, played a vital part in two others - including his header, which went in off

Be Thatcher after striking a post - and, most significantly, proved he is fit for 90 minutes, the only doubt over him when he arrived at Arsenal two months ago.

The Gunners can go top of the Premiership for the first time this season if they win in form at Middlesbrough on Saturday. But then United will have two games in hand, starting at Leeds on Sunday - a match which could be hugely influenced by their fortunes in Turin tomorrow night when Juventus bar the way to their dream of a treble.

"Personally, I hope Manchester United win in Italy and

reach the final of the Champions League," said the Arsenal mid-fielder Patrick Vieira. "That would be very important for football in England and it would give them something else to think about apart from the championship."

"We [Arsenal] all go much better than last week after that game against Wimbledon and we were very happy for Dennis Bergkamp that he scored after missing the penalty in the semi-final. But I also had to do my part because it was the stupid ball I lost against Manchester which helped Ryan Giggs to score our winning goal. I feel now we can keep the pressure on Manchester United right to the end."

Wenger accepts the reality that United still have to slip twice in their remaining six games to give Arsenal any real opening United's massive goal-difference of plus-40 is worth virtually an extra point, even though the Gunners boosted their own mark to 34 on Monday night.

But the England coach, Kevin Keegan, could have a defining influence on the title race with the squad he picks on Thursday for the friendly international in Hungary next week. He has indicated he will not call upon any of the players

from the Premiership's top three clubs even though such diplomacy would not impress some other top-flight managers.

Indeed many believe the Budapest game serves no real purpose and runs an unnecessary extra risk of injuries to key players. But whatever Keegan's deliberations, Wenger also has to contemplate Bergkamp and Marc Overmars being called up by the Netherlands' friendly against Argentina last month but the Euro 2000 hosts are unlikely to let Wenger withdraw either of his players from the Morocco game without making their own fitness assessments.

Bergkamp has not trained since the semi-final in which, although he would never suggest it, a groin strain may have contributed to the tame penalty shot which left him in such despair until Monday night when he was brought off to a standing ovation 20 minutes from the end.

Overmars, too, is only just coming back to full power after an ankle injury and blistered feet sustained in the Netherlands' friendly against Argentina last month but the Euro 2000 hosts are unlikely to let Wenger withdraw either of his players from the Morocco game without making their own fitness assessments.

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The disappointment many felt in England's form in Nigeria was mirrored in Saudi Arabia, where their side's German coach, Piet Hamburger, has paid for their first-round elimination with his job. His contract was terminated "after he failed to reach the required results," according to the Saudi FA's spokesman. He said a new coach would be hired soon to replace Hamburger but he did not give any details.

Earlier this month the federation hired a Czech, Milan Macala, to guide their national squad. He became their fourth coach in 10 years when replacing another German, Otto Pfister, who took Saudi Arabia to the second round in the 1994 World Cup in the United States.

Pfister was re-hired last year to replace Carlos Alberto Parreira of Brazil, who was sacked after the Saudis' poor performance in the 1998 World Cup.

He said: "The team that went out, as opposed to some nations who were out there, would not

have been the best performers available to play there."

Wenger was speaking after the launch of the Coca-Cola Mini Soccer revolution, inspired by his own 'Charter for Quality', at Wembley Stadium in London yesterday. The new seven-a-side football scheme will replace full-size games for all players aged under 10.

Wilkinson and England's technical director thinks the much-weakened England team that played in Nigeria this month did not reflect the wealth of potentially world-class young footballers now prospering in the Premiership.

England, without young first-team regulars like Michael Owen and Jonathon Woodgate, failed to score a goal in their three World Cup matches, which all ended in defeat. They had the worst record of any team in the tournament, but Wilkinson refused to be downcast about the future of the national game.

"I don't think the England performance in the under-20 championships in Nigeria would be taken by any serious student of the game as an accurate measure of where our young footballers stand in the world," he said. "The team that went out, as opposed to some nations who were out there, would not

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Forest set to make move for Moyes

NOTTINGHAM FOREST have targeted Davie Moyes of Preston as their manager. The relegation-bound side are ready to approach North End for the 35-year-old Scot, who has transformed the Lancashire club in his 15 months in charge.

Moyes, who was shortlisted for the assistant manager's job at Manchester United, is the type of young coach Forest want as they go back to the drawing board after a disastrous season under Dave Bassett and Ron Atkinson. The fact that Moyes is used to working within a tight budget is also in his favour as Forest face a season of financial cutbacks in the First Division.

Moyes has guided Preston into a Second Division play-off berth having spent just £25,000. His side has gained a reputation for playing stylish football and almost gave Arsenal a shock in the third round of this season's FA Cup.

Moyes has emerged as the top name on a list of candidates that also included Stoke City's

Howard Wilkinson does not believe England's poor performance in the World Youth Cup means that the country's young footballing talent has been held back by the rest of the world.

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have been the best performers available to play there."

Wenger

SPORT

AUSTIN'S SPECIAL POWERS P23 TROUBLE IN TURIN FOR ANCELOTTI P22

European Cup semi-final: Ferguson frames new strategy to contain Zidane as spotlight falls on Yorke and Cole

United forced to alter tactics

BY GLENN MOORE
in Turin

"I don't like it when people go on about how long I have gone without scoring," Cole said. "It is nonsense to say Dwight and I have dried up, this happens to everyone. As long as we are contributing to the team, that is what matters."

Yorke, who has personally gone 632 minutes without a goal, added: "The first match with Juventus was my worst game since coming to United - but now I have another chance."

So do the midfield against their Old Trafford tormentors. Roy Keane, the United captain, said: "They won't get as much space as they did at Old Trafford." Alex Ferguson spoke with uncharacteristic circumspection, as the team checked in to their airport hotel. He said: "We have certain tactics to counter the Zidane thing, I hope he has to stay to do the ironing."

Keane elaborated as much as he dared. "I believe tactically we got it slightly wrong at Old Trafford. We were never sure whether the centre-halves were going to pick up Zidane [who played just behind Filippo Inzaghi] so obviously we are going to chat about that. They may have to step out [to pick



Ryan Giggs, sitting out as Manchester United train at Stadio Delle Alpi yesterday, will learn this morning if his ankle injury will keep him out of tonight's game. Reuters

Zidane up] though the way Zidane moves about, it is difficult."

The likelihood is that Ronny Johnson will be told to keep an eye on Zidane and Nicky Butt will replace Paul Scholes in the central midfield to provide a deeper presence. With Giggs struggling to shake off an ankle injury Scholes may find himself on the left, although Jesper Blomqvist may be preferred to give the team better balance. Should the tie begin drifting away, Ferguson is sure to gamble.

He said: "People say Manchester United is a great club and it is, but it is about time we put something on the table to prove it. It is 31 years since we

won the European Cup and that is a long time."

One of the members of the winning United team, Sir Bobby Charlton, likened the match to the semi-final the 1968 side survived in Madrid on their way to their triumph. "I remember we were 3-2 down on aggregate at half-time and it looked all over."

The Real Madrid fans were euphoric and their players had a degree of arrogance," he said. "But we worked hard and got the two goals we needed. The current team have that spirit, they are a brave team."

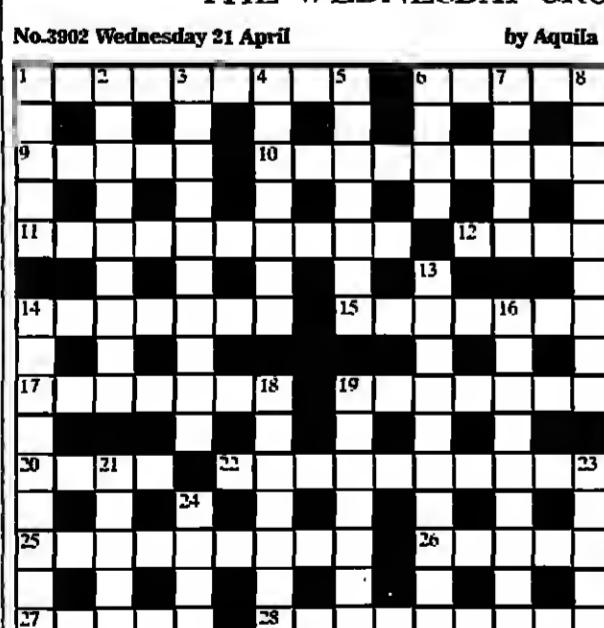
That courage, mental as much as physical, will be required tonight.

TONIGHT'S PROBABLE TEAMS IN TURIN

PESSOTTO	DI LIVIO	BECKHAM	G NEVILLE
FERRARA	DAVIDS	COLE	KEANE
PERUZZI	ZIDANE	STAN	SCHREICHL
IULIANO	DECHAMPS	YORKE	JOHNSON
BIRINDELLI	CONTE	BUTT	
		GIGGS/SCHOL	URWIN

Kick-off 7.45 (ITV)

THE WEDNESDAY CROSSWORD



ACROSS

- 1 Promises of party in show-ring (9)
- 5 No such bird seen on Ilkley Moor? (5)
- 9 Nocturnal climber of the wall in Paris (5)
- 10 Defeat from piece of careless fielding (9)
- 11 Fat rooster got loose? He did wrong (10)
- 12 Mid-off field in ugly jumper? (4)
- 14 Followers of English can, in French street (7)
- 15 Rifle still used as musical instrument (7)
- 17 Ideal sort of pitch? (7)
- 19 Church porch in Northern Israel (7)
- 20 Sensational newspapers leading to riches? (4)
- 22 Man of the match (10)
- 25 Saul's home refurbished as refuge for the needy (9)
- 26 Be true to constant Heather (5)
- 27 Alcohol compound got from trees (5)
- 28 Incidental information is back? Joy! (9)
- 29
- 30
- 31
- 32
- 33
- 34
- 35
- 36
- 37
- 38

by Aquila

Tuesday's Solution

DEBUTTED FIASCO
EAE NIAN WII
JAPANESE LANtern
EL GUYAAT
CREMATE ERRATUM
TULLYDO
MEDIOCRE SUSAN
SAJOG C
UNFIT NEONATAL
HRY BRY
HOLLAGE ANGEL
A D S F
QUOTOCOMMISSION
AEIRTAEE
THRIICE EXCLUDED

- 7 ring-tailed feline (4)
- 8 Beautiful fairy left in danger (5)
- 9 Keep fresh at first in city (9)
- 10 English company sound in caring for the environment (10)
- 11 Bang-on-time journalism (9)
- 12 Account outstanding - puffing up sales, we hear (9)
- 13 Leg-cuffs appear strange at first (4-3)
- 14 Dog's wagging tail, a welcome thing (7)
- 15 Master, in a tug that's wrecked, needing compass (5)
- 16 Fish taken from lake daily (4)

Fowler would have played, says Keegan

BY MATT BARLOW

KEVIN KEEGAN said yesterday that he will name the strongest possible England squad for next week's friendly in Hungary - and that Robbie Fowler would have started the match if he had been fit.

Premiership managers have been quick to criticise the timing of the game, but Keegan said he will have no qualms about selecting Manchester United and Arsenal players.

"I will pick as good a squad as I can under the circumstances and I hope everybody is fit and available," he said. "There will be Manchester United and Arsenal players in the squad. If there weren't then it wouldn't be an England squad worthy of the name."

Fowler's broken nose, which he is due to have reset in hospital on Friday, will keep him out of the game, but Keegan said he would otherwise have played.

Keegan was speaking after the launch of the Coca-Cola mini football scheme at Wembley yesterday.

"Robbie would have been selected," Keegan said. "But he has an operation on Friday and he won't be fit. It would have given him a boost just when he needed it. Sometimes in life you get a blow, and then something else happens - and just when you think it can't get any worse something else happens again."

"When you pick the 22 best players in England you should have him in, and I would have but for the fact that he's injured and he's not even an option. But Robbie is young and he has got plenty more opportunities."



Fowler: Further setback

"They start with a clean sheet, as Robbie will next season. Being a top player comes with some duties and responsibilities, and he has to live with that. He's a Liverpool player, he's a Liverpool boy. He's a good lad but he's made some mistakes. He's acknowledged that and he's been punished for that."

Fowler could have started in Budapest in the absence of the injured Owen and Chris Sutton, but Houllier explained: "He will go for an operation to his nose re-set. It will take another two or three days before he can start running, which rules him out of the national team game."

"It's a blow for him, it's a blow for the club, it's a blow for the national team. After Friday we will know how long it will take for him to start training again but I don't think he will be able to play next week."

Houllier continued: "Sometimes you have to accept that things don't go right and you probably have to draw some lessons from that and go through some damage to build up again. We're in a very constructive process."

On a more pleasant note for Houllier, Sunderland will have an early test of their Premiership credentials when they face Liverpool in a match to mark the 100th Football League championship season. The First Division winners will play the Premiership side, who have won the League a record 18 times, on 18 May at the Weariders' Stadium of Light.

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BUSINESS REVIEW

THE FRANKENSTEIN EFFECT

MONSANTO: A COMPANY IN NEED OF A SERIOUSLY MODIFIED IMAGE



Kapoor Lathima

Inside: British Biotech's bitter pill to swallow, page 5
The powerhouse of the energy industry, page 6
The merger that created fireworks, page 12

Plus: Hamish McRae, Diane Coyle,
 Derek Pain, Jonathan Davis and The Trader

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Forget the big fish and hook up to new ideas

BRANDS, BRANDS, brands – globalisation requires global brands, and insofar as the marketing experts agree about anything it is that the Internet revolution is going to increase the power of global brands still further. Look, for example, at the way in which a single brand of book retailer, Amazon.com, has built a global network, or the way in which three or four search engines have become global names.

Most of us probably regret and resent the process. It seems absurd that we should pay a premium for what is often no more than a name and some cute advertising. But if global brands are indeed going to continue to become more powerful, anyone who does not own one is faced with a grinding problem. How do you combat this "winner-take-all" effect? How do the little fish eat the big ones for a change?

I'm grateful for some ideas from a timely book – *Eating the Big Fish* by adman Adam Morgan, just published by John Wiley & Sons. The core of his argument is that if you are a second or third-ranker you cannot just imitate the first-rank

brands. To do so is to play by the leader's rules, with less money. You have to change the rules.

But how? Morgan outlines eight principles that challengers might follow, starting with the idea of using inexperience positively and ending with the (equally radical) notion of learning to run an unstable company. To many people this might seem like typical ad agency speak – clever ideas but hard to apply in practice – and in a way it is. But the examples he gives show how some of the world's most successful businesses have achieved their success by turning potential weaknesses into strengths.

Some examples may make this clearer. Richard Branson knew nothing about airlines when he founded Virgin Atlantic. If you were trying to find the least suitable background for running an airline I think you would be hard put to beat pop music. You don't want your pilots high on substances and the cabin crew trashing their hotel rooms. Come to think of it, running an airline must be about the world's worst background for entering fi-

nancial services, as Branson has done. In America half the airlines seem to be in Chapter 11 bankruptcy, while in Europe they are being bailed out by governments – not ideal for asking people to entrust their savings with you.

Yet Branson managed to reinvent air-travel, partly by offering first-class space at business-class prices, and partly by making economy travel fun (well, sort of). He turned his lack of experience into a strength.

At the other end of the list comes the "flying unstable" idea. Large companies are organised in such a way as to be stable, or at least they try to be. So they hire people who fit in with the established culture and they have a planning structure which seeks to avoid serious mistakes. But unstable companies hire risk-takers and don't plan much – but respond with the speed of light to market signals. Managing the latter is much harder because you also need to identify dangers, and cope with them before they become serious. But if you are coming



HAMISH MCRAE

To many people, this may sound like typical ad agency speak – clever ideas, hard to apply in practice. But it shows how many successful companies have managed to turn their weaknesses into new strengths

from behind you have little option but to do this.

Anyone with experience of watching businesses thrive and fail will have to acknowledge a certain reservation about this gung-ho, take-no-prisoners line of approach. I remember being told by a top American telephone executive a couple of years ago that there were two types of companies: those that adapted to the world and those that changed the world. She saw her company as one of the latter. I was less than popular when I replied that a US phone company, however big, was not going to have much impact on the big forces that would shape the world – like demographic change or the development of the European Union. I noticed a little item in the FT a couple of weeks ago, saying that she had resigned following a downturn in the company's performance.

A further criticism is that being a brilliant brander does not ensure corporate success if the underlying position of the company is too weak. Adam Morgan cites Nissan

as a marketing success, and it did indeed do very well in the US. But the company as a whole is in such a catastrophic debt position that it has just had to sell a large stake to Renault. That liaison, incidentally, must top the league for "odd couples" and I suspect will eventually become a divorce.

But the core idea that a challenger company has to use positively the fact that it is coming from behind must be right. The Internet in particular seems to me to be changing the rules of marketing in ways which we are only beginning to glimpse, but which can be summed up in the idea that speed has become more important than size. (There is an example of this "speed instead of size" principle with Morgan's book. If you cannot be bothered to read it, you can get its 10 main points from its website, eatingbigfish@aol.com.)

Looking 10 years ahead, the big question surely is whether Internet-related technologies reduce the entry cost into new businesses, or whether they simply give a first-mover (like Amazon.com) an abil-

ity to create a new global brand very swiftly. If they fundamentally and lastingly cut entry costs, it will become easier for anyone with a good idea to challenge the leaders. It will not be so much a question of eating the big fish. You will not really know who the big fish are: they may simply be small fish that happen to be very close to the viewer. Anyone can become a big fish providing he or she uses the new communications opportunities.

If this is right, then there will indeed continue to be global brands, but there will also be global niche brands. Anyone producing a really great product or service in a very specialised area will be able to get that product or service into a high proportion of the potential market. The premium will be on knowledge of the specialist area.

For small and medium-sized businesses this is wonderful news. It will not be a question of challenging the global leaders. What they have to do is to become true experts in their particular corner and they can become a niche global brand for themselves.

DATELINE: TOKYO

Japan feels shame of cutting back

BY PAUL LEE

FOR SOME Japanese executives the thought of taking early retirement is an unbearable humiliation. It pushed Masaharu Nonaka, a 53-year-old manager at Bridgestone, to suicide, still seen by many in Japan as an honourable escape from shame.

"I will resist the cruel restructuring the company is now carrying out," Nonaka wrote in a letter to his fellow workers at Japan's largest tyre maker, Bridgestone, before his death last month.

"Since joining Bridgestone I have worked for my company for more than 30 years without paying attention to my family. The efforts of such employees have led to today's Bridgestone."

The Japanese have come to expect their companies to provide lifetime employment guarantees, in effect relying on a corporate welfare state. Little wonder then that firms have become bloated, allocating money and staff with little regard for shareholders.

Now, with the country stuck in recession, these companies find they need heavy cutbacks and a wave of changes appears to be sweeping Japanese boardrooms.

More than 100 firms have pledged in recent weeks to turn their fortunes around through *risutora* or restructuring. Their proposals mean spinning off loss-making operations, cutting capital spending and, most painfully, axing thousands of jobs. "Over the last eight months, and for the first time in the 1990s, Japan has begun to adopt policies which go in the right direction," says Kenneth Courtis, chief economist at Deutsche Bank Group Asia Pacific. "The country's

reform plan in March, will close 15 of its 70 plants worldwide in the next four years. The electronics giant will absorb three affiliates and base its core business around its lucrative PlayStation game console.

Nippon Steel, the world's biggest steelmaker, is ending its six-year flirtation with microchip production, giving up its Japan operations and handing control of its stake in a Singapore venture to a rival.

Japanese steel firms have been hard hit by complaints of dumping from US steel mills and are being forced to wipe off excess capacity. "I believe it is inevitable that in steel industry consolidation we would need to scrap excess capacity," says Akira Chihaya, Nippon Steel's president. His firm is the only Japanese steelmaker expecting profits in fiscal year just ended.

At Nikko Securities, Japan's number three brokerage, executives have sought refuge by selling a 25 per cent stake in the firm to the US banking giant Citigroup.

The 220bn yen (£1.2bn) deal, signed last June, was a rude shock for Nikko's top shareholder and erstwhile ally Bank of Tokyo-Mitsubishi and signalled a breakdown in long-standing business ties. Nikko has since decided to liquidate a troubled real estate affiliate and close offices across Asia.

The Japanese authorities have hailed the moves, recognising the need for change. Newspaper editorials tell readers to be more independent in their career plans. "In such a world it is impossible to draw up a lifetime plan based on success in one company entrance examination," the *Yomiuri Shimbun* newspaper said.

Companies are also offloading troubled operations. So Sony, which unveiled a drastic

reform plan in March, will close 15 of its 70 plants worldwide in the next four years. The electronics giant will absorb three affiliates and base its core business around its lucrative PlayStation game console.

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The market has focused on a few substantive restructuring announcements and



The despair of Shohei Nozawa, the president of Yamaichi Securities who wept after his brokerage closed down in November 1997, has since been repeated at all levels of Japanese business

Shizuo Kambayashi/AP

Other Japanese firms seem to have discovered the positive impact that restructuring announcements have on their share price, even if the contents of the plan are not as bold as those which have captured the headlines."

Though announcements of job losses seem impressive, they represent little more than early retirement programmes and a cutback on graduate recruitment.

Few firms, particularly among the large corporations, are prepared to face the social opprobrium of making staff redundant.

In the central bank's latest Tankan business survey companies across industry warned of a heavy cutback in investment this year.

Already unemployment in the world's second largest economy is at its worst level since the war and officials warn that the current 4.6 per cent jobless rate can only worsen.

Japan's decade-long problem of stagnant demand, a weak financial system and massive bad loans will continue," Standard and Poor's said in a recent report.

Change may be reaching Japan's boardrooms but many warn it is still not enough to restore the nation's fortunes.

A WEEKLY DIGEST OF THE WORLD'S FINANCIAL PRESS

BUSINESS WEEK

The Economist

REVIEW

The Washington Post

FINANCIAL TIMES

BARRON'S

FORTUNE

How no-fee Internet service providers may now be getting it right in the United States

Two-thirds of Britain's economists polled said that they were in favour of joining the euro

On Hong Kong tycoon Dickson Poon's restructuring of his Dickson Concepts International Group

On China's moves to open its markets in return for membership of the World Trade Organisation

On the prospects for Compaq, US computer-maker, after it ousted its chief executive Eckhard Pfeiffer

On how Wall Street investors are buying cyclical stocks such as farm equipment and coppers

On whether BNP's hostile bid for Anglo-Saxon capitalism in France

THE ALLURE was almost irresistible: "Free Internet access for life" the ads promised. What they didn't say was that this meant "free for the life of the company". Free Internet service providers such as BOSnet, USFreeway and CyberFreeway have folded, leaving tens of thousands of Americans with useless e-mail addresses. But a couple of new companies are trying again – and this time they may get it right. Unlike in earlier tries, Net-Zero is outsourcing its network to Level 3, AGIS and GTE, saving millions on infrastructure costs. And it isn't charging a start-up fee, making the service virtually risk-free.

– Larry Armstrong California

WE, AT ANY RATE, were a bit surprised on the standard tests, which look at factors such as trade and the cross-border mobility of labour: the answer is no. To conclude that Britain and the euro zone should merge their currencies, you need to deploy other arguments. A few emphasised the benefits of exchange rate stability – greater now than allowed for in standard theories. Others said that a non-euro Britain would be at a disadvantage in the competition for international investment. Another theme was the spur to competition among European producers that would come from greater transparency in pricing.

– Editorial

DICKSON POON has made shareholders an offer he hope they won't refuse. Under the plan DCI would sell its non-Asian assets – majority stakes in London department store Harvey Nichols and luxury-goods maker ST Dupont – to Poon's private company for \$195m (£122m). In return shareholders would receive a special cash dividend. They could keep their shares in the scaled-down DCI, or sell them to Poon. That would give them a 42 per cent premium on the price of DCI's shares before the deal. Sounds generous? Yes, especially to Poon. Critics say it would give him top-notch assets for bargain-basement prices.

– William V Roth Jr

IN THE past few weeks, China has made a series of bold commitments to US negotiators. Those commitments would move China's economy to a rules-based system and end most forms of state control within roughly five years. A few critical issues remain, but we are on the verge of an agreement that could bring revolutionary change in China. What must the US give away? Nothing. The only act necessary on our part is passage of legislation making normal trade relations with China permanent. Such legislation would also put an end to another sterile debate – that on annual renewal of China's normal trade status.

– Lex

ALONG WITH Kosovo, last week's big news was Wall Street's stunning discovery of the 99 per cent of the market that isn't hi-tech or Web or even big-cap. Is the emergence of cyclical a fuke? We think not. Instead, we envision that last week's action will turn out to be a precursor; that the show of interest in the out-of-favour masses of stocks will expand and deepen and extend itself. What we're postulating, in short, is that this most unusual bull market will end, ironically, in a most unusual way – with every sector getting its dueful spin and with small-caps, at long last, enjoying an explosive burst of speculation.

– Alan Abelson

IT IS easy to ridicule a country that has so many demonstrations in its capital each day that they're listed in the newspapers. But France is clearly doing something right: its 3.2 per cent GDP growth last year outpaced every G7 nation except the US, and inflation was below 1 per cent. But it's not clear what the lasting effects of France's March madness will be. The mega-merger proposed by BNP would not be accompanied by layoffs or any other measures usually required to make a merger pay off. So as Paris tries to be Wall Street on the Seine, the French should remember that there's more to succeeding in the global economy than spending money.

– Anne Faircloth, Paris



Monsanto chief Robert Shapiro (above) often seems baffled and hurt by protests, such as those by Greenpeace (above) directed against the firm's genetically modified seed products Adam Nadel

The monster within

BY DAVID USBORNE

Monsanto survived its association with Agent Orange and chemical warfare in Vietnam. It was even forgiven for foisting Astrotruf and Nutrasweet upon the world. But when Robert Shapiro chose to apply the science of genetics to improving crops, his company became demonised as the dark force behind 'Frankenstein Foods'. On Friday he faces his shareholders at the AGM. Can he convince them he can put the lid back on this can of genetically modified worms?

Robert Shapiro, the chief executive of Monsanto. His vision of transforming the once faceless chemicals combine into a modern 'life sciences' powerhouse that will exploit advances in biotechnology to increase crop yields and fill dinner bowls worldwide seems to be roughly on target. And yet when shareholders converge on the company headquarters in St Louis, Missouri, for its AGM on Friday he will have much explaining to do.

The past 12 months have not been kind to Monsanto. The worst came last October when a much-touted merger with rival American Home Products of New Jersey founders, apparently because of unbridgeable differences of view between the management teams of the two prospective partners. The deal's collapse sent Monsanto shares into a tailspin from which they have yet fully to recover. Earnings in 1998, meanwhile, slumped 28 per cent. Shapiro will also be asked about continuing speculation that an alternative marriage could be in the offing, this time with chemicals leviathan DuPont.

Shapiro, 60, is unlikely, moreover, to escape questions about the incident in a San Francisco hotel last autumn, when, after addressing a convention, he had an untimely encounter with a cream pie, which caught him square in the face. Of greater concern to shareholders, however, is the fact that Monsanto has earned itself the image of Public Enemy Number One, if not in the US, then in a myriad of other countries, including Britain.

Answers may not be forthcoming. By all the evidence, Monsanto is entirely baffled, hurt even, by the groundswell of protests that have been directed against it. All, of course, have to do with the leading role that Monsanto has taken in developing and selling – with notable success – genetically engineered seed products to the agricultural industry. In so doing, however, Monsanto has set itself up as the prime target for the growing movement against GM (genetically modified) foods. And, so far, the company has failed effectively to counter the opposition. Its efforts have included, for instance, the launching late last year of an estimated \$5m (£3m) PR and advertising campaign in Britain that was meant to promote genetically modified foods as safe and beneficial to consumers and the environment, and to dispel the fears fanned by groups such as Greenpeace. "Greenpeace and so on are doing a much better job than we are," company president Hendrik Verfaillie recently conceded.

The concerns the environmentalists have raised are both scientific and emotional: what will be nature's wrath for tampering with its genetic codes? Will pollens from genetically engineered plants, for instance, waft across to other plants, wreaking unforeseen changes in their make-up? Will Monsanto seeds spawn trifid-like superweeds?

Earlier this year, anti-Monsanto agitators dumped four tonnes of soybeans outside 10

Downing Street, in India, in "Operation Cremation Monsanto", protesters have systematically burnt fields planted with genetically modified Monsanto seeds. And across the European Union, rhetorics from environmental groups such as Greenpeace against so-called "Frankenstein Foods" is stirring important political opposition to imports from America of any foods derived from genetically engineered crops.

It is a PR nightmare that no one back in St Louis saw coming. Founded in 1901 by St Louis chemicals company executive named John Queeny (Monsanto was his wife's maiden name), Monsanto was for decades associated only with chemicals. It first found popular fame – or infamy – with the savage defoliant used by the US military in Vietnam, Agent Orange. Monsanto also invented Astrotruf, the synthetic green stuff that masquerades as grass in indoor sports arenas around the world.

From its food division came perhaps its most famous product of all, the artificial sweetener NutraSweet.

It was in 1981, that Monsanto first began to dedicate funds to exploring the potential of biotech and molecular genetics. The purpose was to see whether useful attributes could be stitched on to plant types through gene splicing. By the mid-1990s, with Shapiro newly at the helm and the research beginning to produce exciting results, Monsanto had decided that biotech would be its future and the chemical company products were gradually sold off.

It is the "life sciences" label that Monsanto attaches to itself today is meant to denote the converging of four formerly distinct industries: food, agriculture, pharmaceuticals and biotechnology. The company's \$9bn (£5.4bn) in annual revenues are now divided three ways. About half are generated by the agriculture division, with Monsanto's long-serving herbicide Roundup acting as a reliable and hugely generous cash cow; about 30 per cent flows from its pharmaceuticals, with products that include Ambien, Arthrotec and, more recently, the hugely promising pain-killer Celebrex; foods, meanwhile, provide the last 20 per cent.

For Shapiro, at least, there is painful irony in the bogeyman status that Monsanto seems to have earned itself. The company's success in biotech research was meant precisely to win friends among those concerned with the environment. Monsanto sees genetic engineering as the best hope for saving Earth from ecological disaster rather than the other way around. The logic seems reasonable: by inventing new strains of crops that produce magically higher yields, adapt to unkind soil conditions, resist herbicides and pests, Monsanto will enable producers around the world, including in developing nations, to redouble their output. As the population of Earth climbs, more mouths will be fed, the argument goes, while less topsoil is polluted and eroded away.

Thus, Monsanto's corporate mantras are "Food-Health-Hope" and "Doing Well by Doing Good". The first breakthrough for Monsanto came with soybean seeds that were so-called Roundup Ready. Eagerly adopted by the US farm industry, these seeds allow farmers to give their fields a heavy dose of Roundup when the soy plants are seedlings. Because of the genetic fiddling that has happened in the plants, they will not be hurt by the spray while all weeds around them will wither. This means fewer doses of the herbicide and often means there is no need even to till the soil, offering obvious ecological advantages and potential savings of \$1bn (£600m) a year for US farmers. Since then, the company has come up with Roundup Ready cotton and corn, as well as cotton that is resistant to pests. Other products in development include a seed that will produce coloured cotton, doing away with the need to use chemical dyes. Monsanto also produces a hormone that boosts milk production in cows.

"We all know the effects of starvation," Shapiro wrote in this month's *Future*. "How can we double or triple food output in a sustainable manner without destroying large parts of the living systems and soil on which we depend? We don't have 100 years to figure this out; at best, we have decades. In that time frame, I know of only two viable candidates: biotechnology and information technology."

And while Monsanto is often depicted abroad especially as the modern-day version of an American imperialist machine bent on seizing control of farm production on every continent and playing God in nature's food chain, the culture that Shapiro has established in St Louis is of a different flavour altogether. Indeed, Shapiro, who has been CEO since 1985, is frequently accused of attempting a flaky, almost New Age style of management. He likes to be addressed as "Bob", rarely wears suit or tie and is fiercely committed to democracy and is breaking the rule, and it employs detectives to investigate possible cases of re-seeding. It is not shy about purging

cy in the ranks. He urged the creation, for example, of a website that encourages employees to write in whatever grousing they have about company policy without the requirement of adding their names.

Most famously, Shapiro introduced his so-called "two-in-a-box" management model. After his arrival, all executive suites were knocked down in St Louis. Instead, directors of the various company divisions must work in cubicles like everyone else. Moreover, they are coupled into pairs, where one member will provide scientific brains and the other the non-scientific expertise, for instance in marketing or PR. This quirky style of running the company was cited as one of the reasons that the hitherto-down American Home Products took fright after initially agreeing to merge with Monsanto.

In various ways, however, Monsanto has not helped itself. It demands that farmers using its modified seeds resist the temptation to recycle from their crops for planting the next year. That, according to Monsanto, would be in breach of its patents. Indeed, the company asks farmers to snitch on each other if they see anyone

breaking the rule, and it employs detectives to investigate possible cases of re-seeding. It is not shy about purging

This picture (and front page): Protesting transgenic

sors in the courts. Moreover, Monsanto has become associated with so-called "terminator" or "suicide" seeds, which, again through genetic manipulation, are infertile so the stalks and cannot be replanted. In truth, terminator seeds were developed by the US government in collaboration with another seed company that Monsanto is now in the process of acquiring.

No one expects serious fireworks on Friday, however, and Shapiro seems certain to keep his job. In recognition of Monsanto's difficulties, he took a 17 per cent pay cut last year. Moreover, he will tell shareholders of good reasons for the profits slowdown. One is the roughly \$8bn (£4.8bn) that he has spent on acquiring other seed companies in the US to reinforce Monsanto's market position. He will also cite the still very high costs of genetic engineering research.

Shapiro, meanwhile, has one trump card: the pain-killing drug, Celebrex. The drug, which is marketed through an unusual partnership with Pfizer, has taken in a spectacular fashion since it was introduced last January prompting analysts to predict a profits turnaround for Monsanto to this year and in 2000. In its first 12 weeks on the US market, Celebrex notched up 2.4 million prescriptions, putting it in the same league for a newcomer as Viagra, the potency pill developed by Pfizer. The attraction of the drug is its apparent kindness to the stomach while tackling pain, especially among arthritis sufferers.

The future for Monsanto, therefore, is a puzzle. Some believe it must still find a buyer to correct its balance book, burdened by debt that equalled a whopping 59 per cent of market capitalisation at the end of 1998. But with Roundup and Celebrex, it seems to have two deep wells of easy revenue. And the outlook for its GM business, if the Shapiro analysis is correct, is still full of potential. This year about half of all cotton, soy and corn crops planted in the US will be with genetically altered seeds. Moreover, in the American market at least, the notion of GM foods seems to have left the public unfazed.

But Monsanto still has this one, not insignificant problem: persuading the folks in the rest of the world, in Europe especially, that its genetic tamperings will not one day backfire on us, unleashing who knows what kind of punishment from an enraged Mother Nature.

FACTFILE	
MONSANTO	
share price, dollars	
70	
60	
50	
40	
30	
20	
10	
1995 96 97 98 99	29
Market Capitalisation: \$29bn (£17bn) (1998)	
Net Revenue: \$9bn (1998)	
Net Income: \$250m	
Headquarters: St Louis, Missouri	
Dress Code: Casual	
Number Of Employees: 28,500	
Robert Shapiro's Pay (1998): \$800,000	

Glimpse of victory in the war on boom and bust

NO MORE boom and bust for the British economy, the Government has pledged. In the past Britain has experienced one of the higher average inflation rates in the OECD and lower than average growth. This has gone with more volatile GDP growth rates, ranging from minus 2 per cent to plus 5 per cent, and more variable inflation, ranging from 2 to 21 per cent over the past two full business cycles.

So it is hard to disagree with Gordon Brown's emphasis on the need for economic stability as a backdrop to improving productivity and growth. For the volatility of boom and bust has damaged businesses' ability to plan and reduced their inclination to invest. Why spend money on expensive new machinery that would help your workforce operate more efficiently if a sharp business downturn could be just over the horizon?

Some confidence in having a market for whatever good or service you are producing is essential. So stability is a motherhood and

apple pie issue – everybody pays lip service to it. But the willingness of governments to do whatever is necessary to achieve it has been absent since the 1950s. Until now, perhaps. Mr Brown's first act as Chancellor was to hand the day-to-day power to set interest rates to the technocrats on the Bank of England's Monetary Policy Committee.

So far, in a benign international inflationary environment, the system is working well in the sense that inflation has stayed low and stable. There is also increasing hope amongst economists that the worst of the current slowdown in growth is behind us. Not only did increases in interest rates to last June prevent the expansion inherited by the Government in 1997 from becoming a full-fledged boom, the reductions in rates since October seem to have stopped the slowdown becoming a recession.

This has happened against a turbulent backdrop in the world economy. Meltdown in Asia, Russia

default, the near-collapse of Long Term Capital Management, Brazilian devaluation – all have scarcely ruffled any of the western economies, including the UK. The private sector forecasts for the economy monitored by the Treasury are seeing plenty of revisions, with gloom giving way to guarded optimism.

Two new examples come from CSFB and Barclays Capital. Both suggest the economy has passed its low point. A "technical recession" – by which is meant two successive quarters of falling GDP – has been averted. Both reports praise the MPC for responding swiftly and aggressively. There is no point at which the Bank's monetary experts can relax. Once they are sure the danger of recession has passed, they will have considered when they might need to raise the cost of borrowing.

But the CSFB report points out the remarkable stability of the economy in recent years. Inflation on the target measure has been within 1 per cent of its 2.5 per cent



DIANE COYLE

Despite world economic turmoil Gordon Brown's policy seems to be working well!

target for more than five years, thanks to the Clarke and Brown reforms of monetary policy. Yet this has not been achieved at the expense of greater volatility in output and jobs, as many observers feared. GDP and consumer spending are more stable. The volatility of short-term interest rates is close to a 30-year low.

"Rather than there being any inconsistency between the rates required to stabilise inflation and those required to stabilise growth, the same relatively stable rates have done both," says Robert Barrie, the CSFB economist.

But the Bank's achievement has not been uncontroversial. Businesses and unions in the manufacturing sector have kept up a constant strident song of complaint about the exchange rate.

This has been the economy's buffer between stability at home and instability overseas. Exporters don't like it. They would rather have seen a stable, and preferably much lower, exchange

rate, and do not regard a more volatile pound as an acceptable price to pay for eliminating boom and bust in the domestic economy.

Businesses differ in what sorts of stability they would like to see

and their preferences might not be

perpetually irreconcilable. It would

have been amazing if the sort of

global upheavals we have seen in

the past couple of years – from

Asian crisis to the creation of the

single currency – had not caused

ups and downs in the currency. For

another, the greater volatility of the

pound might be a feature of the

transition from one UK policy

regime to another, diminishing as

the credibility of the new regime

is cemented. That would result in

a strong but steady pound.

Another scenario is that the

Government takes Britain into

the euro during the next parliament, which would eliminate all instability in some important

bilateral exchange rates but could

leave sterling more volatile against

the dollar and yen. The broader

moral is that an end to boom-and-bust, if it really has occurred, will

demand adjustments from busi-

nesses. Many secretly like nothing

better than a boom, while com-

plaining bitterly about the in-

evitable aftermath.

Low and steady inflation will

take some new ways of thinking

too, for there is no hiding behind

general inflationary price rises

any more. It has become very

hard to increase prices at all.

Some manufacturers are having to

get used to continuous price cuts

and quality improvements. Negoti-

ations with employees have also

changed character.

Some business people and

union leaders will agree privately

that it makes no sense to keep de-

manding lower interest rates. Oth-

ers think the Bank has sacrificed

industry unnecessarily on the altar

of stability.

The critics should note that the

new regime is showing every sign

of achieving what it was supposed

to: low inflation with stable growth

and interest rates.

FOCUS

Care homes lose battle to survive in funding crisis

BY ANNA MINTON

FOR THE past 13 years, Kathleen McGaughen, a social worker, and her sister Frieda, a nurse, have owned and run a 16-bed residential care home in Bolton called Balgowney.

After years of struggling to make ends meet, they have decided to call it a day. Their local authority no longer has the funds to place elderly people in their care, they say. Unable to pay the upkeep or the mortgage, the sisters are selling, forcing residents to find alternative accommodation. For two ladies in their nineties, residents since the home opened, the upheaval is immense.

Balgowney is by no means the exception. Hundreds of homes, most of them small, privately owned businesses, are being forced to close this year, in what Paul Saper, of the healthcare consultants Laing & Buisson, describes as the annus horribilis of the care homes sector.

In theory, care homes should be a growth, even boom, industry. Britain's ageing population should be creating growing demand for residential care.

But for those unable to provide for themselves, the story is a very different one. Local authorities are cutting back at a time when costs are rising steeply because of a combination of the minimum wage and a national shortage of trained nurses.

Figures from the Independent Healthcare Association reveal that the sector employs 550,000 staff to care for its 500,000 residents.

The consensus is that at least 40 per cent of Britain's 20,000 nursing and residential homes will face serious difficulties over the next 12 months, threatening thousands of jobs and putting billions of pounds of banking loans at risk.

Only substantial homes with minimal borrowings will survive, Mr Saper predicts. The average home size is small and the majority are mortgaged. GR Patrick, an insurance broker which insures 5,000 homes, estimates six or seven are lapsing on insurance every month.

Barry Hartley, chairman of the National Care Homes Association, says that in one West Yorkshire authority three homes have closed in the past month and three more are at the point of going under.

Another indication of the state of the industry is the rapidly diminishing listed sector. Two years ago there were 16 quoted companies. Now there are four with the take-over of Westminster Healthcare likely by the end of the month.

"The City got the wrong idea

about what the care home sector was about," says Mr Saper. "They over-glamourised it. They didn't appreciate that once a home is full, there's no growth from it. Now that margins are being so heavily squeezed on all sides, they're making less and less profit."

The only people profiting from the sector seem to be estate agents. GVA Grimley's Andrew Rodger says: "As a firm Grimley have probably got 50 or 60 closed or dying nursing homes on their books. For every one I sell, two new ones come on."

With the vast majority of operators owning mortgaged businesses – around 80 per cent – industry experts agree that a significant proportion of the near-£5bn of loans from clearing banks is at risk.

The crisis, which has begun to bite hard in the past few months, is the result of a combination of factors hitting owners' margins simultaneously.

"The outlook has deteriorated in recent months for a number of reasons," says the economist Richard Hoberton, of the Royal Bank of Scotland, one of the leading lenders in the sector. "There's uncertainty about the overall volume of local authority budgets and how those funds are managed and allocated. On top of that the costs and regulation environment has become more difficult, particularly with regard to wage costs."

An analysis of social services spending on the sector by Laing & Buisson reveals a decrease for this year in real terms. Although the local-government finance settlement for 1999/2000 represents a 5.8 per cent increase on the previous year, the £350m Special Transitional Grant – most of which went to the care home sector – was discontinued. The increase in local authority allocation therefore falls below the rate of inflation at just 1.2 per cent.

"Instead they're sending them to homes with no experience of looking after Alzheimer's, and everybody knows what happens to a person in that situation."

"I have a loan of £1.2m from a bank which is now pressuring me.

If my place goes bust, the Halifax will move in and I'll get nothing. I've got

70 people working for me and 70 people in the home. This is a picture which could be repeated a thousand times across the country."



Hundreds of nursing homes are being forced to close as local authorities cut back on costs

Chris Saville

MY BIGGEST MISTAKE: DUNCAN MACKENZIE

All they wanted was a product they could understand

Duncan MacKenzie, 48, was a fisherman until he joined Equitable Life in 1975. He rose to become sales and marketing manager, then joined Scottish Widows in 1992 as head of direct sales. In 1997 he became chief executive of the pensions and life insurance company Direct Line Life, which was established three years ago and has 39,000 customers.

MY BIGGEST mistake was to think that financial advice was always required to go along with pension products. The key thing is

not financial advice, but to make products dead simple so that people know what they are getting.

I spent 20 years at Equitable Life, and we were operating at the top end of the market. The advice we had been giving prior to the Financial Services Act was to individuals who already knew about pensions: they had identified that they had a need, and our company offered low-cost products. As a sales and marketing manager, I firmly believed the mass market could be tackled in exactly the same way. One of the rea-



sons why it didn't work on me that we needed to take a different attitude was that Equitable Life always had quite a simple product in a market where people were financially aware. Most customers were solicitors or accountants, and we were saying: "You have got to have advice to deal with pensions." We really insisted on the fact that this was extremely important.

At Scottish Widows our big experience when we were providing advice by telephone was that people were not so much looking for advice, but help. We needed a much more basic approach. It was only when I came to Direct Line and we launched a pension in January 1998 that I began to think differently.

That research period was the first time I had the opportunity to attend groups and see people in the mass market who were totally and utterly confused about pensions. They just didn't have a clue. When you tried to explain to them that it was uncomplicated, they were able to counter it with lots of points.

What came through loud and clear was that you have to have a product that caters for life today. Products have to be capable of being bought over the telephone or via the Internet.

cost parameters and that you are not going to be penalised. One thing clearly brought home to me was that we couldn't get this done on our own.

We found people didn't like penalties for stopping and starting contributions. It needed to be as basic as a bank account. We've been keen on the Cost, Access and Term benchmark, where the Government has set the standards which financial products need. This doesn't guarantee that pensions are going to perform well, but that they meet just within our industry.

KEEP

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A bitter pill to swallow

It will take some strong medicine to restore British Biotech to health. Will its recovery be aided now that it has a doctor at the helm?

BY FRANCESCO GUERRERA

THIS IS a story about hubris on a grand scale. It is also the story of those left behind to sort out the mess. At its peak British Biotech, once the great white hope of the UK life sciences industry, had a stock market value of more than Railtrack. Armed with a portfolio of chemical compounds which management hinted might have blockbuster potential in the treatment of cancer and pancreatitis, the company was able to raise hundreds of millions of pounds from investors to fund ambitious expansion plans into a fully fledged international pharmaceuticals company.

The remnants of this grandiose strategy are still there to be seen in the shape of Biotech's spanking new, modernistic, glass-fronted headquarters on the outskirts of Oxford. In other respects, however, British Biotech is but a pale shadow of its former self. Its share price shot to bits, its founders and driving spirits sacked or gone, and its products of questionable if any value.

What went wrong and what hope now for this one time wonder stock?

British Biotech started in the late Eighties in an old warehouse as a loss-making drug research company. By the mid 1990s it had outgrown these small beginnings to become the flagship of the burgeoning biotech sector. Its chief executive, Keith McCullagh, in a fit of grandeur he later came to regret, said his company would be the "new Glaxo" - an all-encompassing pharmaceutical giant able to discover, produce and sell its own drugs. Disaster struck shortly afterwards.

Last year the company sacked its head of research, Andrew Millar, after he broke the secrecy of some clinical trials and voiced his concerns over British Biotech's drugs to shareholders. The public row set off legal action against Dr Millar, an inquiry by the London and New York stock exchanges, and even a probe by the House of Commons.

"Millargate" also caused a collapse in the company's share price, and plunged the sector into a crisis from which it has still to recover.

A boardroom clear out was inevitable, Biotech's "success", it appeared, had been largely fantasy. Its foundations were of sand - little more than the overblown hopes of investors, and more particularly, British Biotech's management. The chairman, John Ralsman, retired, and the chairman of the building material group RMC, Christopher Hampson, took his place. Dr McCullagh was replaced seven months ago by Elliot Goldstein, from the pharmaceutical group SmithKline Beecham.

The 46-year-old Canadian has the unenviable task of resurrecting a company now on its knees.

Dr Goldstein was forced to scrap



McCullagh: Founder of British Biotech, chief executive to 1998



Millar: Head of research at British Biotech to April 1998

one of British Biotech's star drugs, the anti-pancreatitis treatment Zactex, after a series of inconclusive trials. He also had to oversee a disappointing set of results for Marimastat, the anti-cancer drug which represents British Biotech's remaining hope of becoming profitable in the medium-term.

Dr Goldstein is not daunted by the enormity of the task. "When I joined, I was really impressed by the science, but I felt that the company needed a vision and a road map," he said. "The vision which existed before got lost because of all the events, the external problems and the Millar affair. When I arrived, it had evaporated."

He plans to replace the lost vision with a radical and painful return to basics. Its mantra, repeated almost obsessively, is "focus". Gone is the ill-fated dream of the "new Glaxo".

Dr Goldstein believes British Biotech must become a "new British Biotech": a small, but sound drug development company.

The first step is to get the clinical house in order. Dr Goldstein believes that the idea of producing drugs from the cradle of research to the grave of market launch is not viable for a company of British Biotech's size.

He will seek agreements with partners to help fund the development of its compounds. The world's top 20 pharmaceutical companies and the eight top biotechnology groups have been contacted with a view to co-funding.

The strategy is a radical departure from Dr McCullagh's grandiose ideas, but it is widely used by other biotechnology groups. Its biggest benefit is that it allows companies to cut the substantial costs of testing their compounds.

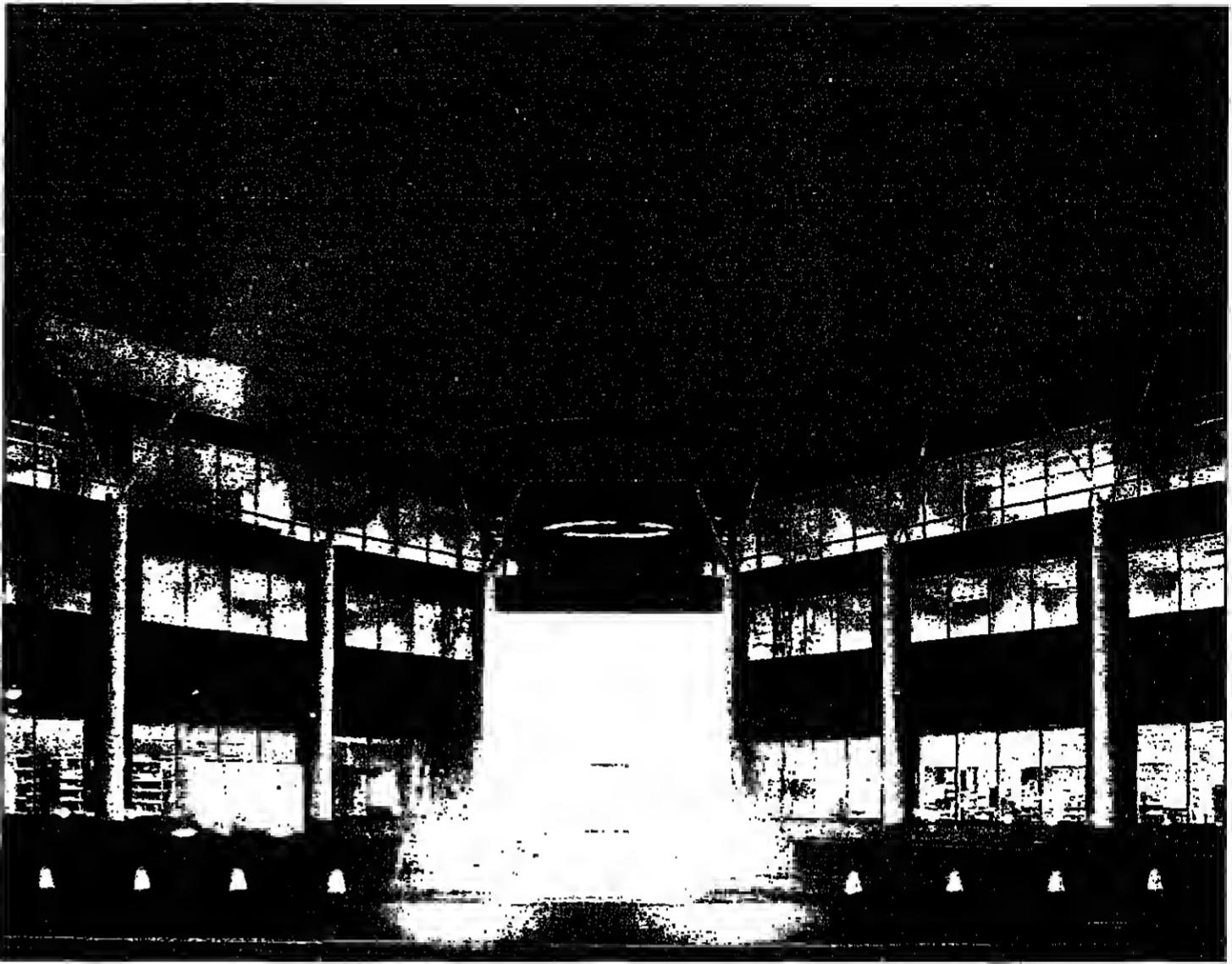
Under the present regime, drugs must undergo three sets of rigorous clinical trials before being submitted for regulatory approval. The trials last for years and can be expensive in the extreme. More importantly, only a small percentage of drugs make it to the market, leaving companies with losing compounds large costs and no revenue.

The drawback of Dr Goldstein's strategy is that if the British Biotech drugs do work, then its partner will claim a large chunk of sales revenue. But Dr Goldstein feels the new policy will help British Biotech to be more efficient and better to "focus" its resources. "Among biotechnology companies, there is a strong push, which you have to resist, to move too quickly from Phase II (of clinical trials) to the (final) Phase III. A lot of companies will take risks to get to Phase III." Working with a partner will help British Biotech to cut losses and scrap projects which are proving unpromising.

Dr Goldstein's second task is to restore the morale of the company's 300 employees. "There was a lot of worry. People were justifiably upset and concerned because they were reading a lot of things about their company. The company was portrayed as a kind of villain."

The chief executive embarked immediately on a round of breakfast meetings with employees of every rank in an effort to understand their gripes and allay their fears. He told them the company's scientific expertise was "world class, up there with the best" and tried to reassure them the bad times were over.

By all accounts, Dr Goldstein is an excellent communicator, with a genial character, and his words probably prevented an exodus of scientific expertise. But not even he could disguise the brutal news delivered to staff in March. The company decided to shrink its US operations and its Oxford-based



British Biotech's impressive Oxford headquarters belie the fact that the company is now a pale shadow of its former self

administrative staff, shedding 60 jobs. At the time, the group said the redundancies were another step towards a leaner British Biotech, but some of the remaining staff were alarmed by the cost-cutting drive.

But even if the drugs deliver and the scientists remain on board, the new British Biotech will be nothing without the support of investors. During its tribulations, the company committed a cardinal sin in any fund manager's eyes: it appeared to mislead investors.

When Dr Millar told a couple of shareholders that some of the stock exchange announcements on Zactex and Marimastat were in danger of not being borne out by the tests, he broke the magic link between the company and the City that had propelled British Biotech shares to over 300p from the 42.5p of the 1992 flotation. The company vigorously rebuffed the allegations.

claiming Dr Millar's assertions were unfounded sour grapes after being passed over for promotion.

However, British Biotech's protestations of innocence did little to stop the rot. The share price went into freefall and the company, which was once on the threshold of the FTSE-100, was plunged into crisis. Today, the stock is worth a mere 18.5p, a 93 per cent fall from its peak in April 1996.

To add insult to injury, British Biotech is still living on the funds raised during its love affair with the stock market. The group netted almost £240m in three fund-raising rounds between 1994 and 1996. A large chunk of the funds is still there in the shape of a £105m cash pile, helping British Biotech to continue operating even if it does not make a penny for another three years.

The two on-going investigations by the London and New York stock

market regulators over the allegedly misleading statements are continuing severely to damage the company's standing and Dr Goldstein is keenly aware that he has a mountain to climb in re-establishing credibility.

On one thing Dr Goldstein is adamant. He will never fuel the market's optimistic expectations. He has already said the company is capable of getting one new compound into development per year on average for the next three or four years, but he will not be drawn on the details. "We have to get to the point where people think that what we say is fair, balanced and accurate," he said.

This will be an awesome task. Many experts believe the credibility gap between the company and the market is now so wide that the share price will remain depressed until British Biotech produces some successful drug trial results.

Nick Woolf, senior analyst at BancBoston Robertson Stephens, the US bank, says: "They have to produce the data or sign a major pharmaceutical company as a partner."

The moment of truth could be around the corner. The results of several key clinical trials are to be published over the next 18 months. After the demise of Zactex, the company is concentrating, on Marimastat, an interesting but as yet unproven compound. The drug is part of a new class of agents, called metalloproteinase inhibitors (MMPIs) which differ from existing therapies because they attack the

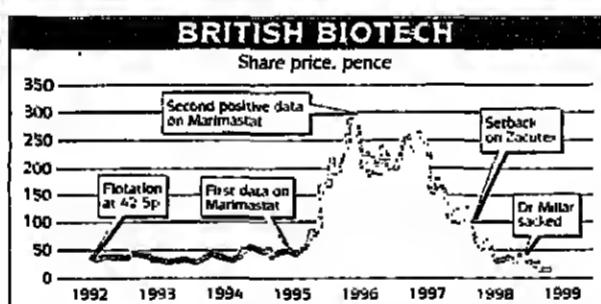
cancer-causing agents rather than targeting the tumour.

British Biotech's expertise in MMPIs gives it a clear edge over its rivals, and there are rumours that SmithKline Beecham is interested in partnering Marimastat. But the drug's results have been disappointing so far, and SKB, or any other partner, is unlikely to come on board unless there is solid evidence that it works. Over the next 18 months, British Biotech expects to publish the outcome of further tests, which will determine the future of the drug, and perhaps the details. Some industry experts believe that scrapping Marimastat could spell the end of British Biotech, but Dr Goldstein's scientists are more upbeat. They say two other compounds at an earlier development stage could sustain the group even if Marimastat failed. The two drugs could be followed by three other compounds.

The other crucial element to regaining investor confidence is a resolution of the Millar affair. The two sides have traded wits and are due to appear in court in autumn.

A long public trial revisiting the details of a case punctuated by personal rivalries, mistakes and sheer incompetence, will hardly help Biotech's case, and the company is trying to reach an out-of-court settlement. Dr Goldstein believes that an end to the legal wrangling is important - but not too important, and he claims the company should focus on only one thing: "Results. At the end of the day, investors want results."

IN SICKNESS AND IN HEALTH



Founded: In 1986 in an old carpet warehouse in Cowley, near Oxford, by Keith McCullagh and Sir Brian Richards, two former executives of the US drug company GD Searle.

Turnover in 1998: £450,000

Pre-tax loss in 1998: £42.7m

Employees: 290

Major Product: Marimastat, an anti-cancer compound currently in the third and final phase of clinical trials. Results expected over the next few months.

THE PLAYER: REBECCA THOMAS, CHIEF EXECUTIVE OF JOHNSON FRY

Reformer demystifying fund management

PERSONAL DETAILS: Age 36. Lives in Docklands, east London. Drives a Porsche Carrera. Salary £225,000. An ardent Francophile, she spends weekends in her house in the south of France. Enjoys good food and wine. To mitigate the effects of the latter she works out four times a week. She also enjoys horse racing and collecting Art Deco furniture.

CHALLENGE: For Johnson Fry, the challenge is to grow the fund management business profitably. A challenge for the industry is to demystify financial services, says Ms Thomas. "I am quite messianic about getting women to take responsibility for their own finances," she says. She also believes that people should begin their financial planning at a young age.

CORPORATE BACKGROUND: Ms Thomas trained as a barrister. In 1987 she switched to fund management, joining Framlington as a small companies analyst. After 10 years with the company, Ms Thomas had become a director.

She was headhunted by Johnson Fry in 1996, became head of asset management and was appointed chief executive in 1997. "I wanted to run my own show. I have always been ambitious," says Ms Thomas. Since taking over as chief executive she has introduced sweeping changes to both the corporate culture and business activities.

STRATEGY: The focus is firmly on fund management, solely for retail investors. To that end, Johnson Fry has disposed of two businesses,

non-core functions have been outsourced and staff numbers have more than halved to 80. Senior management has been changed and a new sales approach has been adopted. Product brochures aim to be as user-friendly as possible and use similar language to that used elsewhere in the retail industry. The core business has been radically restructured in the past 12 months. "It's been incredibly enjoyable but hugely challenging," says Ms Thomas.

Historically, Johnson Fry was known for its telephone-based sales of tax-driven products such as business expansion schemes. Now its products, which include unit trusts and individual savings accounts (ISAs), are marketed through a regional sales force to independent financial advisers (IFAs). "Every

product we offer is designed to meet the needs of the retail investor," says Ms Thomas. As such, the fund managers adopt a risk-averse approach. Companies are thoroughly researched before they are acquired for the funds and the shares tend to be held on average for three years.

The focus is on liquidity and so in the UK the funds are primarily focused on companies with a market capitalisation in excess of £500m.

Johnson Fry has eight unit trusts, which Ms Thomas describes as "an interesting fund range", both general and specialist. It includes a telecoms fund that invests primarily in the shares of multinational telecom and telecom-related companies quoted on liquid and well-regulated stock

markets. The aim is to provide investors with capital growth in the medium to long term. There is an in-house team of 12 investment professionals and three external investment advisors.

Companies are thoroughly researched before they are acquired for the funds and the shares tend to be held on average for three years.

The focus is on liquidity and so in the UK the funds are primarily focused on companies with a market capitalisation in excess of £500m.

The funds' performances have benefited from being overweight in companies such as Vodafone, Lloyds TSB and Telecom Italia. Stocks chosen to have strong cash generation, operate in growth markets, have a leading position within their market and have management with demonstrable track records.

A Johnson Fry interactive web-

site has recently been established for both IFAs and direct investors. It contains information and runs a fantasy fund manager competition.

"The aim is to make it entertaining and user friendly," says Ms Thomas. It remains to be seen whether the Internet will become an important distribution channel in its own right for financial products in the UK. In the US, more than 30 per cent of retail financial business is done on-line. "As a small, forward-looking company we must be there at the earliest opportunity," says Ms Thomas.

She says that if the Internet becomes widely used by the industry, it could be "massively deflationary", because of the associated reduction in paperwork and marketing.

MANAGEMENT STYLE: "Lively and open," says Ms Thomas. The culture is open and democratic with a youthful main board, and with women equally represented.

MOST ADMires IN BUSINESS: "People who have done turnarounds," Ms Thomas mentions Archie Norman, chairman of Asda, and Jim Leng, chief executive of Laporte. "Managing a turnaround is quite a different skill to taking on a successful company. You need a lot of energy and drive and have got to be a pretty strong character to carry people with you," she says.

CITY VERDICT: Johnson Fry has won a number of Micropal awards for the performance of its unit trusts and investment trusts.

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MARKET LEADERS PICK THEIR MARKET LEADER



THE CANARY

Cable twist: Eurotunnel has generated considerable excitement with the news that it is to run even more fibre optic telecoms links through its hole in the ground. Such "dry" cabling, it claims, is far more efficient than "wet" cables sitting on the seabed. So can someone explain why it costs more to telephone from Dover to Calais than from the Isle of Egg to Hawaii?

Medic alert: Barclays insists it has disclosed the truth and nothing but – so there can be no excuse for the continuing scepticism of many in the City for the now-you-see-him-now-you-don't drama of Michael O'Neill, whose cardiovascular system was blamed for not being up to the job. What else does Barclays insist is true? Sir Peter Middleton, acting chief executive, and the Barclays board, have ruled out selling. "I can't see the Bank of England standing by and allowing a hostile bid," sniffs a trader at Barclays Capital. Why not?

Millennium bug panic: Millennium bug hysteria is at fever pitch in The City where Christmas leave is being cancelled for thousands of operations staff. But the smart money is now moving to the view that the scare has been blown out of all proportion. Most computers seem to crash on a daily basis in any case.

Bank on the run: Reeling from its losses in Russia and criticism from all sides, the European Bank for Reconstruction and Development is trying to salvage its reputation at its annual general meeting in London. The new president, Horst Koehler, has had his work cut out trying to keep delegates and shareholders pacified. As for the Russians, their government presentation consisted of one message: "We're sorry, please send more money."

Church drops BAe shares: The Church of England appears to have belatedly noticed that British Aerospace is an arms manufacturer and hence intends to sell its substantial shareholding. But there is an argument that many of the weapons built by BAe are of doubtful lethality at the best of times and hence it remains perfectly ethical to own shares. The Eurofighter, approaching £100m a copy, is the most expensive thing ever purchased by British taxpayers. It has been contributing to BAe profits for almost 20 years, but has never fired a shot in anger – and may never do so, since it was designed to fight a Russian air threat that no longer exists.

Ed Wallis
Chairman & Chief Executive, PowerGen

I THINK that Ian Robinson, Chief Executive of ScottishPower, is very impressive. First and foremost he's a good businessman. His sound judgement and all-round competence have been integral to his company's success over the past few years. In addition, he's not at all arrogant about his achievements. He's the sort of honest, open and capable man whom I believe most people would admire and respect.

Our sector is highly regulated, strategically important to the economy and always close to the top of any government's agenda. Running a company successfully, delivering value to shareholders whilst meeting your regulatory obligations, looking after your employees and playing a responsible role in the community is therefore a very challenging balancing act. During the time that Ian Robinson has been there, ScottishPower has become one of only two truly substantial independent companies in our sector that command wide respect – the other being PowerGen of course.

Bruno Lescour
Chairman & Chief Executive, London Electricity

Although I am new to London Electricity, I have followed the energy business in this country with great interest from across the Channel. The British energy industry is never dull but it requires unrelenting determination. John Guinness, chairman of British Nuclear Fuel Limited, first impressed me in the run-up to the electricity industry's privatisation back in 1990.

In particular I remember his determination throughout the privatisation process while he was at the Department of Energy – not an easy task. He has shown great character in adapting BNFL to the changing environments in which it operates, whilst maintaining the long-term potential of the nuclear industry.

I must mention PowerGen's Ed Wallis for his determination and decisive action in making PowerGen such a force to be reckoned with. It could not have been easy building the business out of the nationalised Central Electricity Generating Board. He has built an incredibly strong brand, and he is now realising the dream of running a fully integrated company.

Jim Forbes
Chairman, Southern Energy

Southern Energy is widely acknowledged as one of the industry's strongest characters. The merger of Southern and Scottish Hydro, very different companies and geographically distant, was a bold and original move that has underlined Jim's consistent ambition to be an important player in the industry.

Mike Hughes
Chief Executive, Midlands Electricity

I admire a lot of people within our industry, so it is difficult to single out anyone specific. I think I'd have to nominate Ed Wallis of PowerGen though.

He started from a relatively weak position and has taken the company to exactly where he said that he would. Then there's Keith Henry of National Power whom I admire even though he's getting a lot of bad press at the moment. He too



Ed Wallis of PowerGen is widely admired for his determination and ability to take decisive action

Financial Times

has taken the company to where he said he would, thanks to his focus and determination.

ScottishPower with Ian Robinson has also done well – but they have no excuse not to because they are in a part of the country where competition is less vigorous. Having said that, they've got a good company and a good man leading them up. I reckon they've got the best chance of us all of becoming a key international player.

Nick Clarke
Chief Executive, Quantum Energy Group

This is a real teaser as I don't feel that there is anyone who has their head above the crowd, as it were. I do think, though, that Centrica with Roy Gardner has recovered

tremendously well from their "lakew-or-pay" problems. I think that Roy is a very impressive guy who instigated their recovery from a situation that looked very bad for them.

Another man of energy whom I admire is John Devaney who used to lead up Eastern Group but left at the end of last year and is currently trying to get a power consortium together. He was a major figure in the process of bringing the utilities industry up to date. I've got immense respect for him as a person too.

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With-profits endowments could be your loss

IS THERE any future for the with-profits type of endowment policy, a staple offering of the life insurance business for many years? The question is hardly new but it is worth asking again, given the current state of the investment markets and the rapid recent changes in the sophistication of the financial markets.

As most people know, with-profits policies are designed to cater to the needs of relatively low-risk investors. What they aim to do is to smooth out the annual ups and downs of the financial markets through a system of annual and final bonuses. If you buy a with-profits policy, you are in effect backing the tortoise over the hare, judging that a slow but steady approach will come out ahead over the long haul.

If you want a full exposure to the markets, and are wedded to insurance company products, then you always have the option of a unitised policy instead, whose value rises and falls broadly (but after costs) in line with the behaviour of the

markets. Alternatively you can opt for a unit trust or investment trust to do the job instead. There are a sufficient variety around these days to allow you to match your risk profile to that of an appropriate fund.

With-profits policies are something of a throwback to another era: they conjure up inevitable images of our Scottish actuaries grimly shepherding your money behind closed doors. One of the most striking features of the traditional with-profits policy is that your money is taken away and invested without you ever having much say about what happens to it. The discretion of the investment manager is almost total.

The annual bonuses are declared by fiat. So too is the final bonus, which these days amounts to an increasingly large proportion of the final value of the policy – anything from 20 per cent for an average 10-year policy to 57 per cent for an average 25-year policy, according to the latest survey of performance figures by *Money Management* magazine.

In most cases, as thousands of mortgage holders have learnt to their cost, you will also be penalised heavily if you stop making your premium payments for whatever reason before the end of your term. In the case of 20 or 25-year endowment policies, the risk of surrender penalties means that you may be tied in for at least half your working life to the same manager with very little you can do about it if he fails to do a good job. (This does not stop around one in five endowment policies being surrendered within four years, according to the Personal Investment Authority.)

Flexibility in other words is not the name of the game with with-profits endowments. This would not matter so much if the performance of the funds was better than it has been. However, if you have opted for a low-risk investment, you can hardly complain if the performance is not as good as if you had invested your money 100 per cent in the stock market during what has been

one of the greatest bull markets of the century.

Taking *Money Management's* figures, the average return on a 10-year with-profits policy maturing in 1990 was 14.1 per cent, or 7.9 per cent in real terms. For the past five years the equivalent real return on maturing policies has been between 5 per cent and 6 per cent. On my reckoning this is somewhere between 30 per cent and 50 per cent below the 10-year return on the stock market during that period – which in part reflects the fact that shares account for between 50 per cent and 80 per cent of an endowment policy's assets (the rest is in bonds and property).

What has always dragged down with-profits policies' performance is their costs. The average "reduction on yield" on a 10-year with-profits endowment policy today is 1.5 per cent for a 25-year policy; 1.7 per cent for a 20-year policy; 2.2 per cent for a 15-year policy; and a horrific 3.3 per cent for a

10-year policy (and this is just an average figure: the highest cost policies go up to 4.0 per cent; the lowest, Equitable Life, is 1.6 per cent). Any investment with that kind of cost burden to carry is always going to be struggling to earn its corn, not least because you would normally expect lower risk funds to have lower costs than higher risk ones.

With the proliferation of competing products now around, it certainly seems inevitable that unless insurance companies attack their costs and make more disclosure about what their investment policies are, then the days of the with-profits fund will indeed be numbered.

But there is nothing wrong with the concept of a fund that "smooths" the risks of financial markets over time. One final statistic caught my eye from the *Money Management* survey. For 25-year policies, the average real return has doubled from less than 2.5 per cent for policies maturing in 1990 to 5.3 per cent for those maturing this year. Is that good or bad? Well, it all depends. If you had been offered a 5 per cent real return 25 years ago most people would have said yes; 5 per cent for a low-risk investment is a very good outcome, when set against the stock market's long run 6.7 per cent. But if it had been 2.5 per cent, you could do better with most alternatives.

The real question that insurers have to answer now with endowments is: how does anyone know what they are buying any more? There doesn't seem to be much "smoothing" going on when a 25-year investment can produce a real return of 2.5 per cent one year and more than twice that return just nine years later. (To be fair, there are some honourable exceptions.) Add to that the fact that you don't know until very late in the day how big the terminal bonus is going to be, except that it will be more than half the value of the fund, and one has to ask whether the with-profits fund is really such a low-risk investment after all.

JONATHAN DAVIS

You are backing the tortoise over the hare, judging that a slow but steady approach will come out ahead over the long haul

Should you invest in... food retailers?

BY KEIRON ROOT

KINGFISHER's surprise £5bn swoop on the food retailer Asda last week cast a light on the food retailing sector, which has been largely ignored by investors over the past couple of years.

The qualities that have traditionally made the supermarkets' popular defensive stocks at times of market volatility have simply turned off investors and the sector's problems increased by the investigation by Monopolies and Mergers Commission (MMC) of complaints that they were overcharging consumers.

"It has been a very difficult sector to call over the past 18 months to 2 years," says Alan Perkins of Pavilion Asset Management. "Tesco has produced some very good numbers and is clearly the sector leader at the moment, but if you had stuck with quality and held Tesco you would still have underperformed the market."

Hilary Cook, sector analyst at Barclays Stockbrokers says: "The sector has been ridiculously overvalued. Food retailers are not that much different from general retailers, but they have been largely shunned by the market. The supermarkets have great out-of-town locations and they know their customers extremely well. These are supposed to be the big factors in retailing and the supermarkets are way ahead of everyone else."

Ian Brown of Norwich Union's investment management division says: "Supermarkets certainly wouldn't be my favourite place to invest at the moment. Over and above the MMC question, the major factor affecting the food retailing sector is that the market simply doesn't want to know about these plodding, relatively safe companies."

Investors decided we are not going into recession and in a recovery there are much more exciting things to put your money into."

Christopher Willmott, director of institutional equities at Hill Samuel, says: "It is a very interesting time for food retailers because if you look at it from the macro point of view there is no strong but capital is very strong. What you

have, despite strong cash flow, is a sector that is declining and that is not a great scenario for investors looking for growth."

The result has been that the food retailers have been amassing a lot of cash, but have not been entirely sure what to do with it. Ian Brown says: "If you have excess cash you can do one of two things: return it to shareholders, through a buyback for example, or buy something with it. The supermarkets have been investing it in anything and everything they can find."

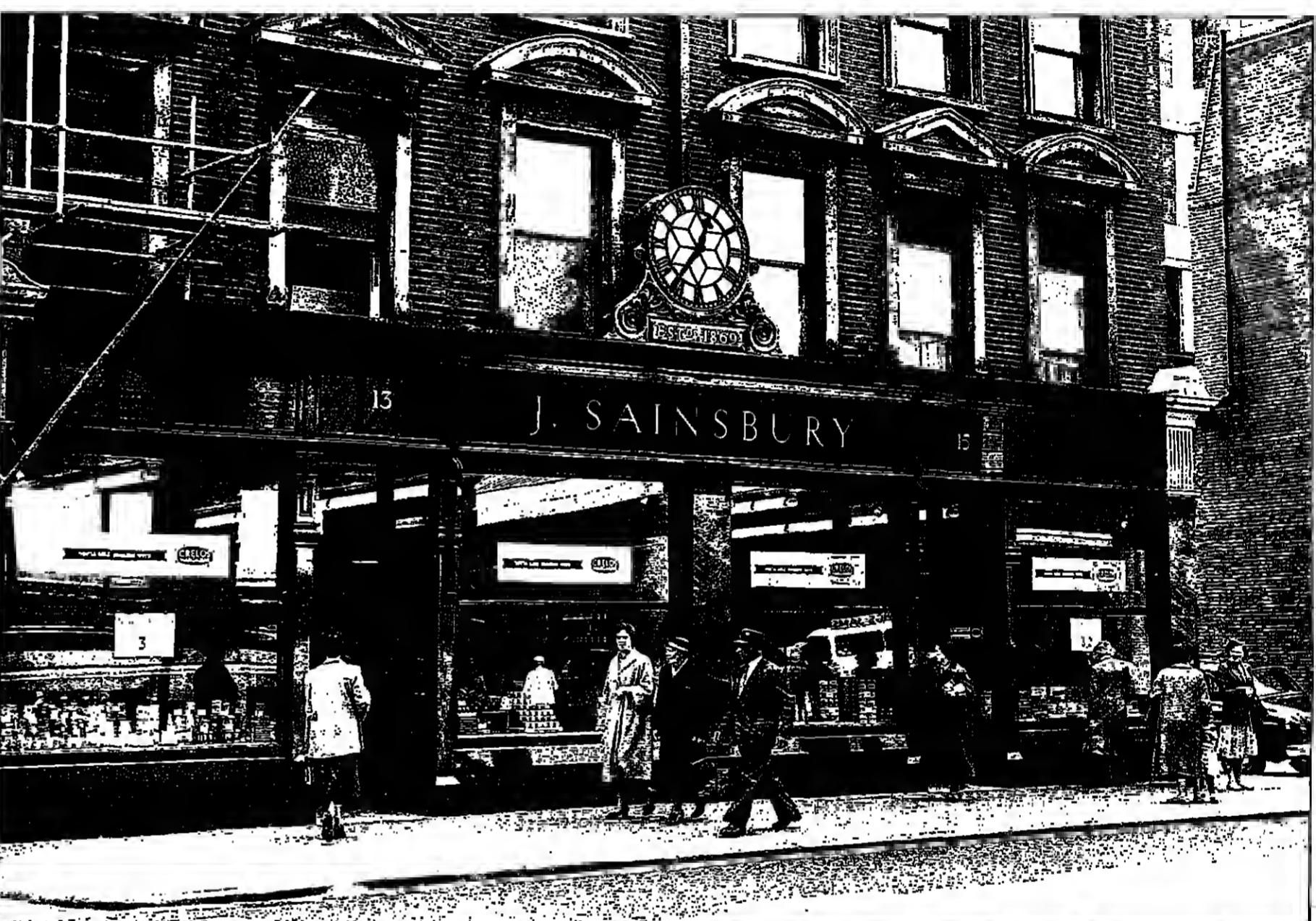
"In the case of Sainsbury, there have been disastrous ventures in the US, and with Tesco it is still to be proven investment in Eastern Europe. Supermarket managements are a pretty arrogant bunch and they have not learnt the humility required to hand back cash to investors." But this sleepy sector has cracked into life following the news of Asda's proposed merger with the general retailing group Kingfisher. "What Kingfisher is in effect saying is that MMC's report is not going to be that significant," says Hilary Cook.

"I don't see what the MMC can actually do. It can't tell the supermarkets to cut prices, since there is a high degree of price competition between the retailers anyway and that would happen is that price cuts would force even more smaller retailers out of business."

Christopher Willmott says: "I would have thought that investors with food retailing stocks should hang on in there. The MMC will continue to create uncertainty but Kingfisher has clearly identified value within the sector and it is unlikely to be the only one."

Ian Brown has misgivings over the MMC investigation. "We do feel for the supermarkets on this one. They seem to have been targeted by a not very competent government minister with an axe to grind."

"The one thing you can say for them is that they are not making monopoly profits. Most are currently showing a return on capital of 12 to 13 per cent which is probably only



From their first store in Drury Lane, central London, J Sainsbury has built up a formidable retail food chain

Hulton Getty

imaginative ways of taking money out of your pocket. They have been trying to expand sales into the 'grey market' and develop financial services and other associated services that will be driven off their existing asset base."

Hilary Cook sees two possibilities for further M&A activity. "There are two possible sorts of bidders, UK-based general retailers or overseas retailers. It has been often rumoured that Wal-Mart was looking at Asda and it may be that Asda decided to go with Kingfisher on a 'better-the-devil-you-know' basis."

"It is still possible that Wal-Mart is looking around for a UK acquisition and last week's news will either flush out a higher bid for Asda or prompt it to go for another target, like Safeway." In fact, Wal-Mart undertook a major fund raising de-nominated in euros early last week, which gave further substance to this theory.

Christopher Willmott believes the Kingfisher/Asda deal will both limit Safeway's options, because it removes Asda as a potential suitor and also challenges Tesco's predominant position in food retailing. "The important question now is 'what is going to happen to Tesco?'" he says.

"Tesco has been very explicit in expanding primarily into Europe whilst also priming its market share in the UK. It was doing this very successfully until last Friday."

Alan Perkins says: "Prior to Kingfisher's move, there was a lot of spec-

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"The obvious candidates for a takeover would probably be Safeway or one of the smaller retailers, such as Somerfield. But an overseas buyer may well look at Sainsbury which I would now say is a definite potential target."

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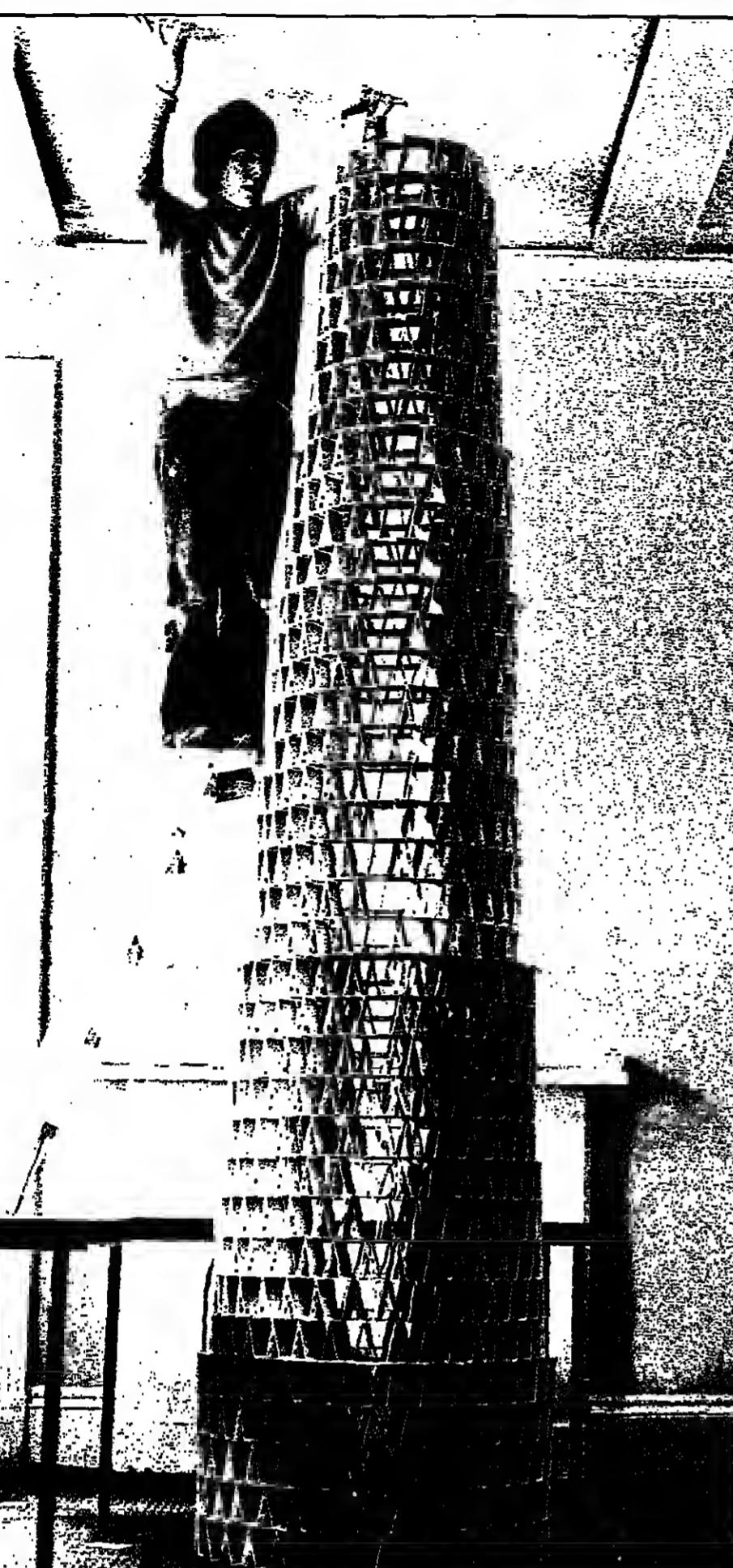
"Tesco has been very explicit in

expanding primarily into Europe whilst also priming its market share in the UK. It was doing this very successfully until last Friday."

Alan Perkins says: "Prior to Kingfisher's move, there was a lot of spec-

ulation about Asda being the subject of a bid either from the German retailer Aldi or from Wal-Mart of the US. I think that there is definitely going to be some rationalisation of the sector, although the best in the sector, Tesco, is probably safe as it is so good at what it does."

"The obvious candidates for a takeover would probably be Safeway or one of the smaller retailers, such as Somerfield. But an overseas buyer may well look at Sainsbury which I would now say is a definite potential target."



Cross-holdings in the split capital sector have led to the feared 'house of cards' scenario, where the failure of one investment trust severely affects the others in the circle

Beware the fall of a House of Cards

IF YOU have placed your money in an investment trust, you do so on the understanding that its fund manager will out-perform compared to a relevant index, based on his or her own individual flair. What you are unlikely to expect is that that fund manager has invested a large slice of his cash in another investment trust, which has placed a portion of its money in a third investment trust, which in turn is investing heavily in your own trust, or the shares of its parent company.

Some experts distrust this practice, fearing the collapse of shares held through an interconnected spiral of cross-ownership. Others argue that the practice of cross-holding trusts within a group can be used to narrow the discounts of all funds.

The 'discount' is where the shares of an investment trust cost less to buy than the actual assets it holds. It is usually measured as a percentage, so if a share stands at a discount of 12 per cent to net asset value (NAV), this means you are buying 100p of assets for 88p. This may be attractive to the shareholders of the funds whose shares are being bought, but it may not be the best strategy for the investment trust doing the buying. Again, a conflict of interest could arise where shares in internal funds are favoured over those of external companies or funds that might otherwise be placed in the investment trusts portfolio.

Cross-holdings do provide an extra layer of individual investment diversification, because the trust being bought will have invested in a wide range of companies. But the investor will lose diversification in

terms of management house style.

Trusts become dependent on the success of the investment house and the investment trust team.

Peter Walls, investment trust analyst at Credit Lyonnais, believes there is little evidence that investment trusts buy shares in internal funds to reduce the discount, and adds that levels of cross-holdings are reducing across the industry as a whole. He says: "It is fair to say that cross-holdings in investment trusts of the same parent company are less common than they were 10 or 15 years ago in conventional investment trusts."

Investors should be aware of the potential problems related to cross-holdings in split capital investment trusts. The cross-holdings in the split capital sector have led to the feared 'house of cards' scenario, where the failure of one trust severely affects the others in the circle.

A survey by Bloomberg Money reveals that out of the split capital trust sector, five funds typically have large numbers of investments in other split capital trusts among their top 10 holdings. These funds are BIFS Income & Growth, Aberdeen's Demae and Jove trusts, Dartmoor (run by Exeter fund managers), Geared Income run by Broker Financial Services and INVESCO's City & Commercial split capital trust. All these companies except INVESCO have holdings in split capital trusts that invest in other split capital trusts as well - namely themselves. The split capital trusts held by INVESCO's fund invest in non-split capital investment

KATHARINE LEWIS

trust shares or shares of non-investment trust companies.

This is illustrated in the table on this page. For example, Demae has eight holdings of split capital investment trusts in its top 10, making up 26.7 per cent of the fund. Of these, two are split capital trusts that invest in other split capitals - Dartmoor and Geared Income (income shares and ordinary shares). But neither of these two trusts invest in Demae, so the circle between the three trusts is not complete.

But a true circle and 'house of cards' scenario exists between Dartmoor and Geared Income, both of which invest in each other. This is highlighted by the fact that 3.1 per cent of Dartmoor is held in Geared Income trust, which has 8.4 per cent of Dartmoor. The performance of these two funds is highly independent. Mr Walls says: "At present, split capital funds with cross-holdings are doing well because interest rates have fallen and people invest in split capital trusts because they can generate a reasonable level of income. But problems might occur if that trend were to change and investors moved out of the funds."

Despite the possibility of increased risk, some industry experts believe split capital cross-holdings are no bad thing. Robin Minter Kamp, deputy managing director of HSBC, says split capital investors provide a steady base of investment in split capital funds. He says: "Because of the current economic environment of low interest rates, there is high demand for high-yield split capital shares, but a short-

age of supply. As a result, many split capital funds invest in each other and this helps support the share price."

Although it is hard to imagine this beneficial circle turning into a vicious circle, that is exactly what happened in 1929 when the stockmarkets in the US and the UK crashed. Investors in closed-end funds, such as investment trusts, suffered particularly badly because the value of their shares fell even faster than the value of the assets in which such funds were invested.

Although the 1929 scenario is unlikely to occur again, the cross-holdings throughout the industry clearly increase risk and can confuse investors. Cross-holdings can make it more difficult for investors to assess exactly what a trust has invested in at the bottom line and such detailed information is often difficult to obtain.

Graham Campbell, head of UK large company investment at Edinburgh Fund Managers, believes investors should be wary of split capital trusts that have cross-holdings. He says: "Split capital trusts are already geared investments whose performance is more sharply affected by market conditions than standard trusts. So, if they invest in other split capital trusts, they are effectively increasing their gearing and risk even more for their investors."

Investors clearly deserve greater transparency from investment trust groups and should look with caution on trusts with large numbers of cross-holdings.

Katharine Lewis is senior writer at Bloomberg Money magazine

SPLIT CAPITAL CROSS-HOLDINGS

Split capital trust investing in other split capital trusts	Discount (-)/ Premium (+)	No. of split cap investment trust holdings in top 10	% of split cap holdings as total of fund	Holdings in split cap trusts investing in other split cap trusts as a % of fund trusts
BIFS Income & Growth	+13.1	5	27%	Geared Income Ord shares 2.3% Dartmoor Ordinary shares 2.2% Geared Income Inc shares 1.6% Total 6.1%
Danae	-31.7	8	26.7%	Dartmoor Ordinary shares 2.4% Geared Income Ord shares 1.9% Total 6.4% Geared Income Inc shares 3.1% Total 3.1% Dartmoor Ordinary shares 8.4% Total 8.4% None
Dartmoor	+18	8	38.3%	Geared Income Ord shares 2.3% Dartmoor Ordinary shares 2.2% Geared Income Inc shares 1.6% Total 6.1%
Geared Income	-13.6	8	49.8%	Dartmoor Ordinary shares 2.4% Geared Income Ord shares 1.9% Total 6.4% Geared Income Inc shares 3.1% Total 3.1% Dartmoor Ordinary shares 8.4% Total 8.4%
INVESCO City & Commercial	-15.4	2	6.4%	Dartmoor Ordinary shares 2.4% Geared Income Ord shares 1.9% Total 6.4% Geared Income Inc shares 3.1% Total 3.1% Dartmoor Ordinary shares 8.4% Total 8.4%
Jove	-47.5	4	16.2%	Dartmoor Ordinary shares 2.4% Geared Income Ord shares 1.9% Total 6.4% Geared Income Inc shares 3.1% Total 3.1% Dartmoor Ordinary shares 8.4% Total 8.4%

Source: TrustNet (www.trustnet.co.uk). As at 25/2/1999

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Changes could woo back small investors

BY NIC CICUTTI

ARE YOU a convert to the cause of investment trusts? If so, you might be forgiven for feeling slightly disgruntled in recent years, as the value of your investment has failed to match rises in other equity-linked pooled funds, such as unit trusts.

That isn't true of all investment trusts, of course. Some have continued to perform well and, in a handful of cases, have delivered sparkling returns. But it is true to say that in many cases, returns have been relatively poor.

In part, this has not been so much because of poor fund management skills, but a consequence of the structure of investment trusts themselves.

Unlike unit trusts, investment trusts operate as companies in their own right. You buy shares in an investment trust, which in turn buys shares in other companies. Demand for an investment trust share is what drives its price, not the value of the underlying asset.

In fact, it is common for the value of assets held by an investment trust to be greater than the price of shares in the trust itself. When this happens, this is known as a 'discount to net asset value', or NAV.

This discount can narrow or increase, according to demand. Back in the early to mid-1990s, it narrowed so that the NAV discount stood at an average of 5 per cent. For investors who bought into investment trusts in the preceding few years, this was an unqualified success story.

Not only did they gain in terms of increases in the value of their trusts' underlying assets, the narrowing of discounts from up to 25 per cent a decade earlier gave them a substantial second bite at the cherry. The problem, unfortunately, was that this could not last.

A combination of factors, including the launch of too many



Investment trusts need new bands of 'committed' shareholders when institutional shareholders depart

poorly performing investment trusts, greater marketing skills by their unit trust counterparts, and more recent bouts of turbulence in world equity markets, saw discounts widen again to up to 15 per cent. In other words, irrespective of a trust manager's asset-picking skills, the trust's value fell to up to 10 per cent less on average than a comparable unit trust.

The trick, then, is for investment trusts to substitute departing institutional shareholders, who would sell up if discounts were likely to narrow, with a new band of 'committed' shareholders.

One mechanism is to maximise small investment opportunities, including regular savings schemes in investment trusts. In this regard, the Government's decision to encourage the provision of a new unit and investment trust-linked personal pension is judged by many experts to have the potential to mop up some of the shares which institutions might wish to dispose of.

But without small shareholders seeing that serious

steps are being taken to overcome the problem of discounts to net asset value, they are unlikely to step in to any great extent.

Therefore, one of the main methods which investment trusts hope will help the sector to overcome the discount problem is to engage in mass share buy-backs.

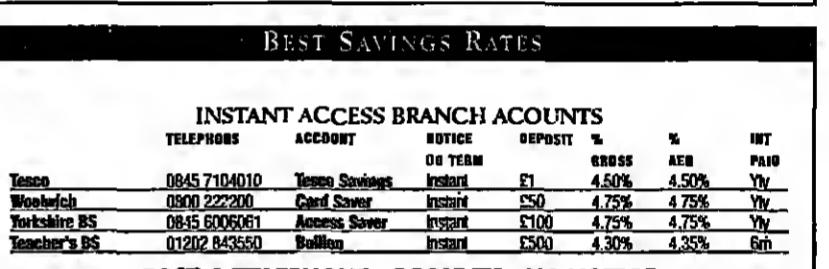
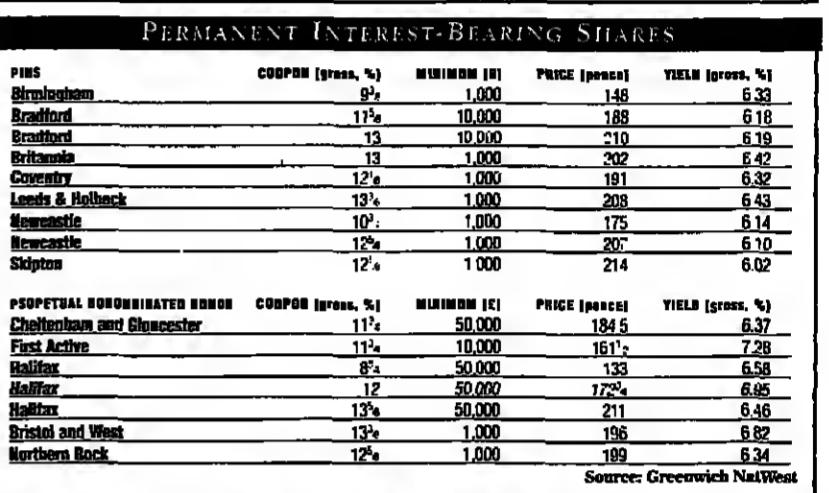
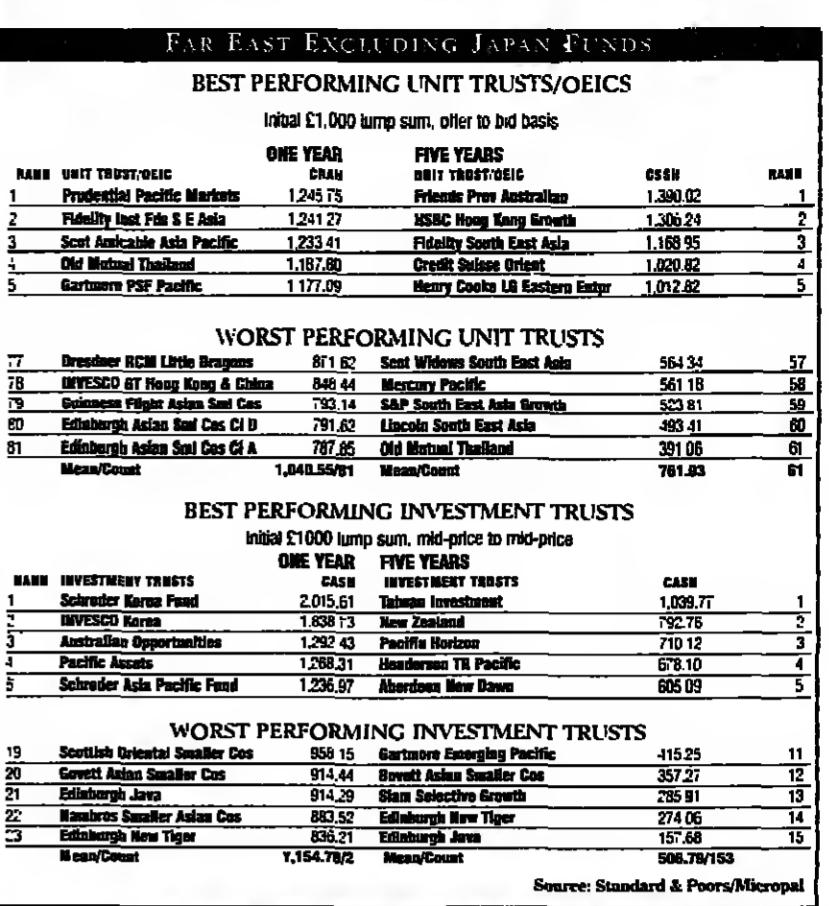
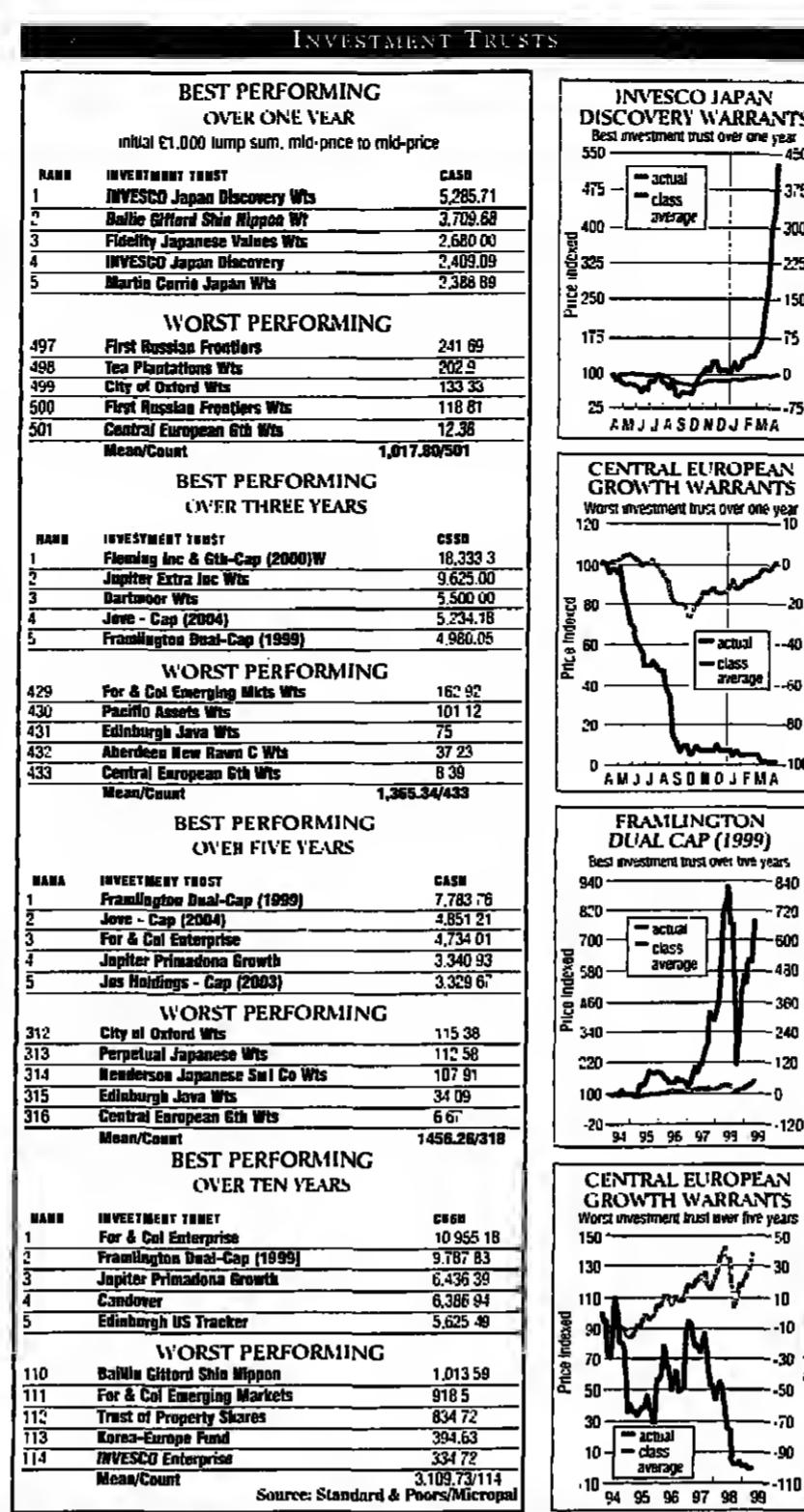
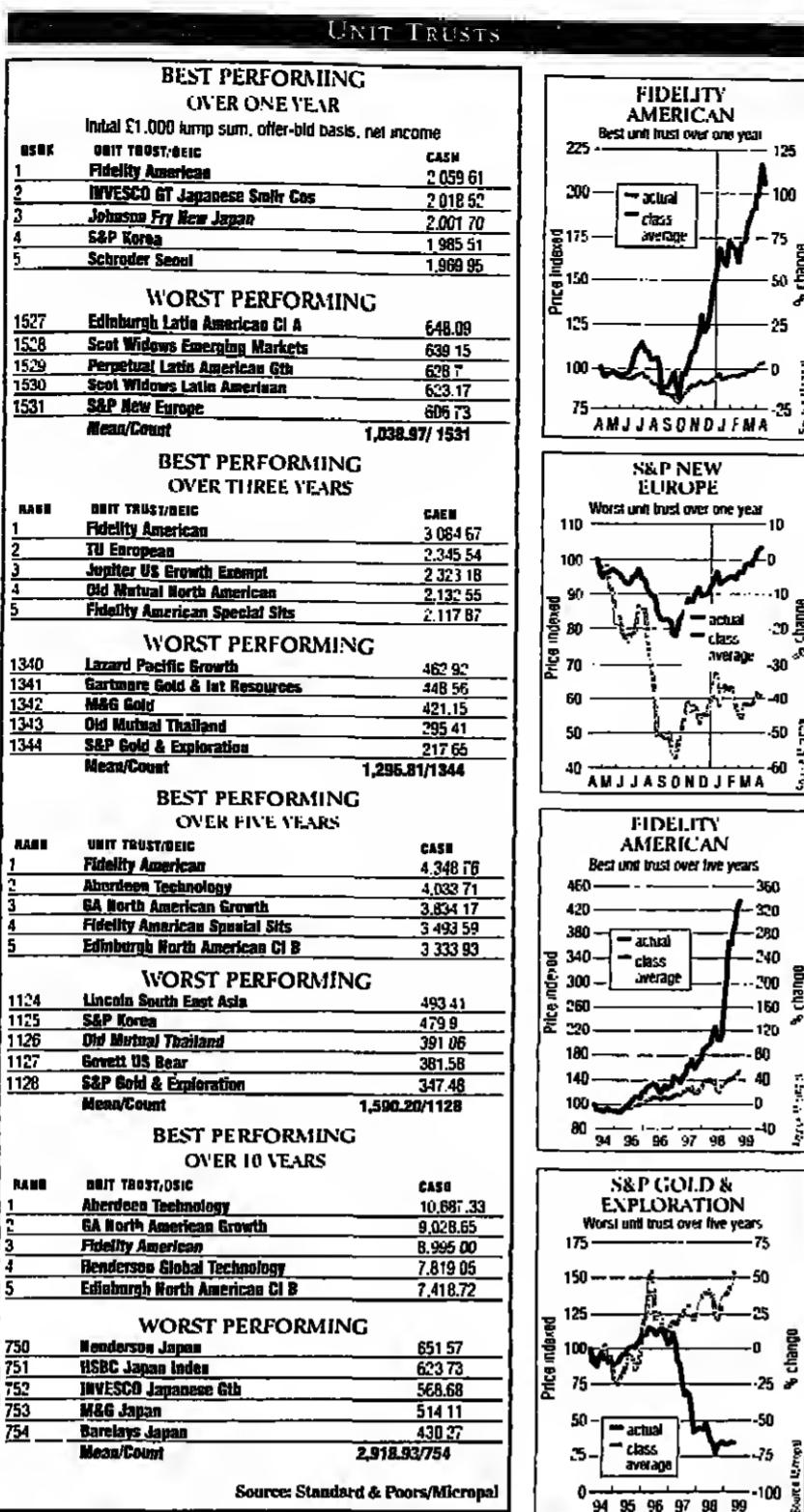
Investment trusts are allowed to buy back up to 14.99 per cent of shares at present held by shareholders, if they are given authority to do so. In the past year or so, more than 100 trusts, one-third of those that can do so, have sought, or are seeking, the authority of their shareholders to buy back their own equity. By reducing the number of shares in existence, the aim is to increase the price of those still in circulation. More than 20 have already acted on the basis of this general authorisation.

The attractiveness of this generalised buy-back has increased since the beginning of this year, when Advance Corporation Tax was abolished. The abolition will allow investment trusts to buy back their shares without incurring a 25 per cent liability to tax on the difference between the price paid and the price at which the shares were originally issued.

Ultimately, although buying back shares may work in some cases, overall performance of a trust is likely to remain key to reducing discounts. Replacing institutional shareholders with long-term investors requires a combination of reforms to the sector - including dealing with the problem of heavy expense ratios in very small and relatively unsuccessful trusts.

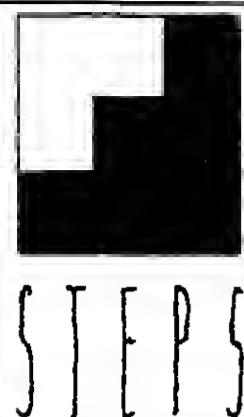
If the reforms work, small savers could well see their investment trusts becoming viable alternatives to unit trusts and their intended replacements, open-ended investment companies. The next 18 months will be a make-or-break time for the sector.

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Take your pick: Darren, Trevor or Mikey

FUNNY HOW foreign exchange traders are always the same wherever you go. The first time I wandered down to the other end of the trading-room here, I thought I'd accidentally stepped through a gap in the space-time continuum and found myself back in the old office.

The theory at our end of the floor is that they're all produced in the same factory. Laura's guess is that there's a company called something like "Romford Robotics" tucked away on a small light-industrial estate well out of sight, although Jaap thinks he may have spotted it when he tried to find the route to Cambridge and got lost on the way.

"Do you suppose they have a product catalogue?" he says, and we reply that we suppose they do and wouldn't it make interesting reading. Then Jaap and Findlay have to go off to price some currency deal, and Laura and I are left to our own devices.

There's not much happening at the moment - everyone's waiting to see if rates can go any lower and trying not to be the first to crack - so we've plenty of time to let our minds wander. And what they come up with is this - the Romford Robotics catalogue with its four most popular lines.

AFX101: Programmed to an-

swer to the names Daryl, Darren or Dwight. Lives in a flat in a new riverside housing development in the Thames Estuary. Average height with sandy hair and squashy, unremarkable facial characteristics. Comes with grey Hugo Boss suit (jacket too large, trousers too short), white shirt with sweat stains under arms, grey shoes and white socks. Bottle-blonde girlfriend is named after Australian soap-opera star and works in the back office of another department. This is our best-selling line, so why not order two?

AFX102: "Trevor" has lank black hair and bloodshot eyes. Lives with long-suffering wife to the



THE TRADER

The theory is that all foreign exchange traders are produced in the same factory

north-east of the City, and travels into work by train. Usually travels back home by mini-cab after late-night drinking session. Clothing undistinguished: chain-store suit, clean but ill-fitting because of refusal to accept existence of beer belly. Extra-large memory banks programmed with every known sick joke, racist or sexist slur, or insult to foreigners. Comes with large collection of heavy-duty pornography to put in desk drawer and produce whenever female colleague approaches.

AFX103: "Mikey" is an ideal choice for senior positions. Wears expensive designer suits with

extra-wide shoulder pads, but junior models can relate easily to him as he has retained an east London accent. Can be programmed to use your choice of expletives every five words, or more frequently if angry. Likes champagne, but can't pronounce "Moet" properly. Coke habit helps to keep weight down. Lives in house in country once owned by pop star/footballer with gold-plated everything, jacuzzi and indoor pool. Wife is former glamour model with surgically enhanced breasts, who spends most of day drinking and lying around the pool.

AFX104: Wears figure-hugging jackets and tight micro-minis. Is

17-year-old female, and as well as responding to the name "Trace" also answers to "dopey tart", "slap-pot", "Doris" and "dozy cow" without punching anyone. Lives at home with her mum and dad, who are very proud of her career. Badly affected by alcohol, although tries to keep up with the boys on nights out: may throw up, pass out or end up getting off with someone on the fire escape. Good short-term proposition, as after two years of this she usually comes to her senses and leaves. The price takes account of this probability.

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Relating is the key to a happy business

MODERN COMPANY law still rests on the Victorian view of the duties of the company director and the need to protect scarce physical and financial capital. The Government's Company Law Review Steering Group has published a consultation paper which asks how to protect and empower today's scarce human, social and intellectual resources.

The steering group has identified the principles which many leading UK companies already practise - a recognition of their corporate responsibility to the society in which they operate. KPMG and The Relationships Foundation believe that the key to business success in the new millennium will be the successful management of stakeholder relationships. But if companies are to reach a higher level of success and consistency in this area, they will need more than legislation or corporate governance regulations. They must also re-define the way

BY SHONAI JEMMETT-PAGE AND MICHAEL SCHLITER

in which they manage relationships at both a strategic and operational level, in particular managing expectations.

We are developing a "relational audit" approach to this area. In one particular case, we used our methodology to look at differences in expectations between two organisations which had resulted in a "malfunctioning" of the relationship. By being able to identify, manage and eventually "re-negotiate" that key relationship, both parties were able to increase co-operation and set it back on track.

Five principles can be applied to assess the quality and likely long-term success of any relationship between organisations or individuals.

■ Commonality: are there common goals and objectives, and a sense of

shared culture which acts as a basis for resolving differences of opinion? Are these differences seen as negative or as enriching the relationship in a framework of common goals?

■ Parity: what is the balance of power in a relationship and how is it managed and used? Do the parties have different types of power, such as financial, political, and veto rights? What level of participation and involvement do the parties have in decision-making and how does this affect individual morale? Are the deliverable benefits for both parties clearly defined and perceived as fair?

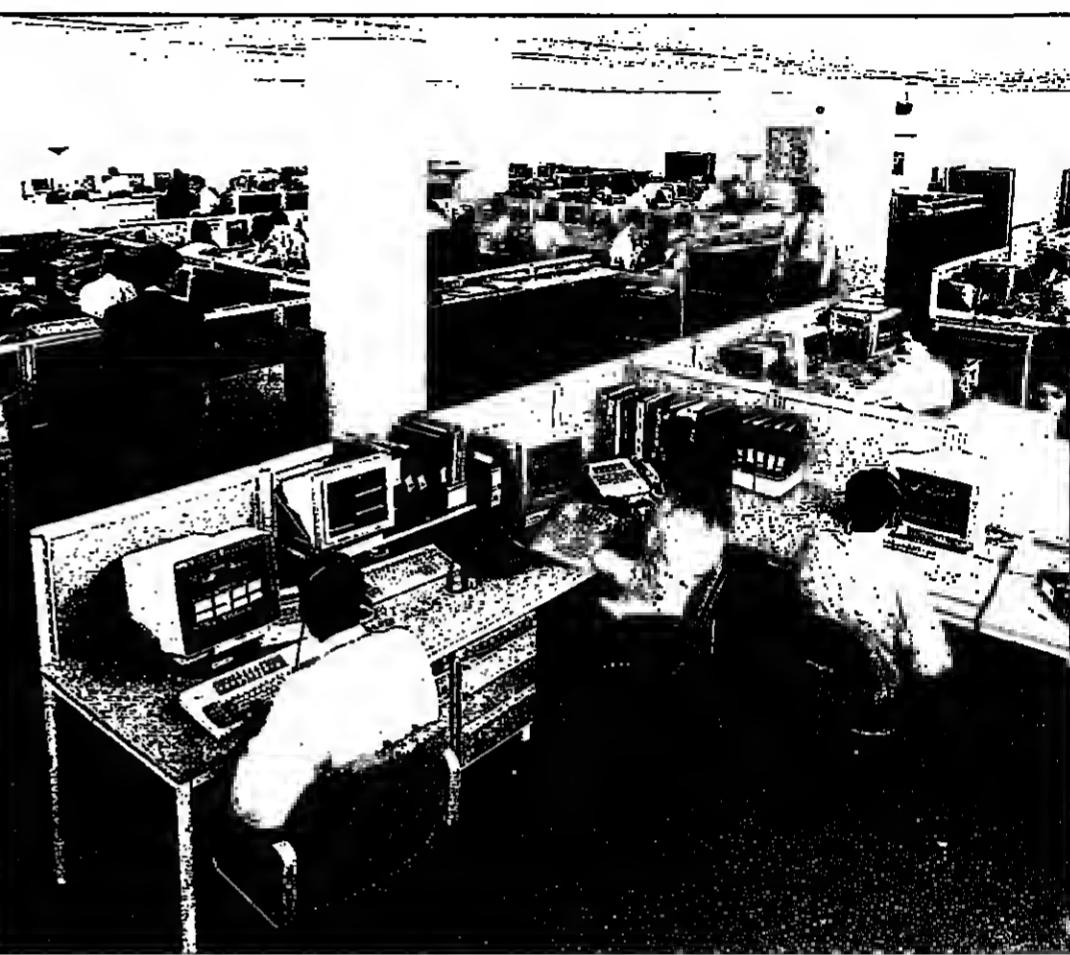
■ Multiplexity: what is the "breadth" of the relationship? Is there a shared knowledge of the extent of the range of skills and experience that individuals or organisations can contribute? Is there sufficient knowledge of a department, an organisation, a role or a person, so as to develop and build the effectiveness of joint working?

■ Continuity: is there sufficient contact between key parties to the relationship, and how are any changes, such as career progression and new personnel, managed without undermining the quality of existing relationships?

■ Directness: how do the parties communicate and what is the style and level of skill involved in their communications? Is the amount and quality of information exchanged sufficient to enable a better understanding of the key issues?

Our approach is based on the belief that all companies with ambitions of growth and success want to manage their key business relationships for the maximum and mutual benefit of all involved. If businesses focus on relationships it will go some way towards resolving conflicts.

Shonaid Jemmett-Page is a partner at KPMG; Michael Schliter is at the Relationships Foundation



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ME AND MY PARTNER

KAREN HADDON AND HAROLD BERLINSKI

Karen Haddon started out as a singer-actress, then had a pop hit with her sister. At 21, she joined her father, Harold Berlinski, in his new firm, Le Maitre, now the UK's largest firework business, turning over more than £5m a year



Karen Haddon and her father Harold Berlinski: 'We are both very aggressive. We see what we want and we go for it... and we have lots of arguments in the board room, if we both feel we are right'

Paul Ross

KAREN HADDON: I was at stage school until the age of 15, then in a TV series for two years. After that I made a record with my sister, Maxine. When she got married, I went to work for my father, who had a furniture company and a petrol station, and had just set up with somebody who'd invented the first safe pyro-flash system.

I was intrigued to watch my father and learnt a lot very quickly, listening to him doing deals and observing his business acumen. I found it fascinating and tried to emulate him. I began to feel very comfortable in that environment and to take more and more on. Three years later, I became the finance director, then a full partner and bought shares in the company. I wanted to concentrate on the displays and make them bigger; there were lots of areas we could expand into, such as the corporate market and millennium displays. I don't think I could have done a nine-to-five job, but I liked the fact that I knew what I was doing every day. That's why I stayed. My father knew that Maxine and I always wanted to become singers and dancers - we never thought of anything else - but he always made jokes about who was going to take over the family business. I think he was very pleased when I came in, because his natural flair for business has rubbed off on me. I lived at home until I got married, at 28, and I have most of his traits.

We are both very aggressive. We see what we want and we go for it, which probably isn't very attractive in a woman. We are quite ruthless. I can be very argumentative and very stubborn: in that, we are incredibly similar and we have lots of arguments in the board room, if we both feel we are right. But often we are able to change each other's minds. I think that's one of the reasons he feels comfortable with me in business.

One of our biggest shows in the 1980s was the G7 summit at Buckingham Palace, with President Bush and Margaret Thatcher. That was a turning point in terms of scale: we were getting known as one of the few companies which could do the really big displays. He's 74, but I don't think he would ever retire. He feels confident with the qualities I have, because they are what made him successful.

HAROLD BERLINSKI: Karen was very involved in the entertainment business. She had a nice voice, although she abhorred acting. She and Maxine used to do the clubs, Cleethorpes Pier and so forth. I said: "That's what you've got to do; that's your apprenticeship and that's where you learn." I made it as easy as I could for them, but if you could work in those clubs, you could work anywhere. Karen was nervous, but she was very determined.

I started working for myself at 16 or 17, after being a welder. I used to buy and sell in south London, from auction sales. Then I went into piano, and started a little shop in Clapham. We sold gowns and second-hand clothes, but my sisters used to give the gear away. Then we turned it into an eat and pie shop. The piano game got very bad, so I started

making furniture, and ended up with two factories.

I had a bit of space and my son-in-law brought me a clever kid, who was a designer and used to make dry ice machines. He worked out a system for a pyro-flash with cartridges. You've seen a genie pop out in a pantomime with a flash - it's done with powder in a bowl, set off with a hot wire - but this kid had a cartridge plugged into a box which was a long way away. It's a much safer system. That's how we started. We had another designer who had a lot of contacts, and who was a friend of one of the Queen's equerries, so we used to get all the displays.

Karen came into the office one day and wanted a job. She probably wasn't that serious about it, but I saw she had potential, and she's turned into an extremely good businesswoman. It was one step at a time: she started with secretarial work. She's very thorough and methodical; self-sufficient and dedicated. She's also good with people. I'm not good with the staff, too impatient. I have been in business for a long time, but I always had somebody looking after staff.

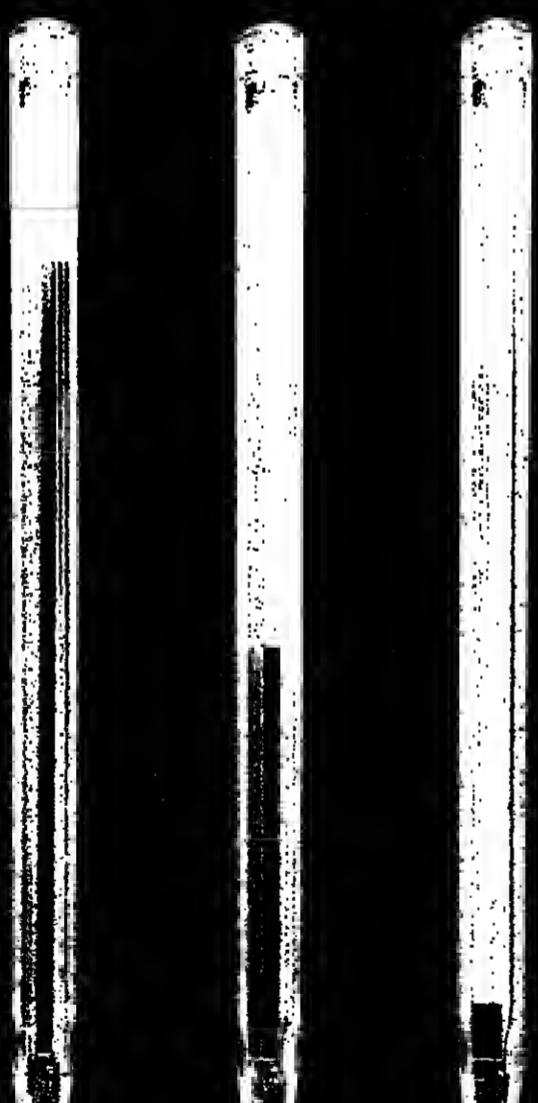
When I started the firework business, I wasn't all that far-sighted and we had one or two sticky patches. I am protective towards this because it's a family business, even more than if it was my own. I used to go out and get the business, but now I have very little to do with that. Karen is on that side, and my son-in-law does the sales. I have every confidence in them.

Our strength has been in research and development: for example, we had the best-designed smoke machine. If we found a hole in the market, we also have extremely good distributors, and a sister company in Canada, so we had good expansion. In the early days, I would do whatever it took: you need dedication and determination to make it happen. I was ruthless, and in the furniture side, buying was my strong point. We used to serve the big boys then, MFI and Littlewoods.

Karen and I can argue a great deal, and we have occasional differences of opinion, but they don't get that bad. One of us changes our mind. Our relationship has always been good, and I admire her ability and love her dearly. Maybe when she started, Karen did feel she had to prove something - and she undoubtedly has done. She's had things to learn but she's learnt them. I haven't had any doubt she can do it.

I have no yen to leave the business completely, but I can take it easy now. Things can go wrong and I like to be around to see they don't, because I still feel protective of it. It's something to do. But at some stage when everything is flowing, maybe I will go. I hope Karen still considers my judgement is good - living as long as I have done, I should have better judgement. She could talk to me about anything. These days, being a woman in business isn't a difficulty. There are not many chauvinist pigs around.

INTERVIEWS BY
RACHELLE THACKRAY



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WEDNESDAY REVIEW

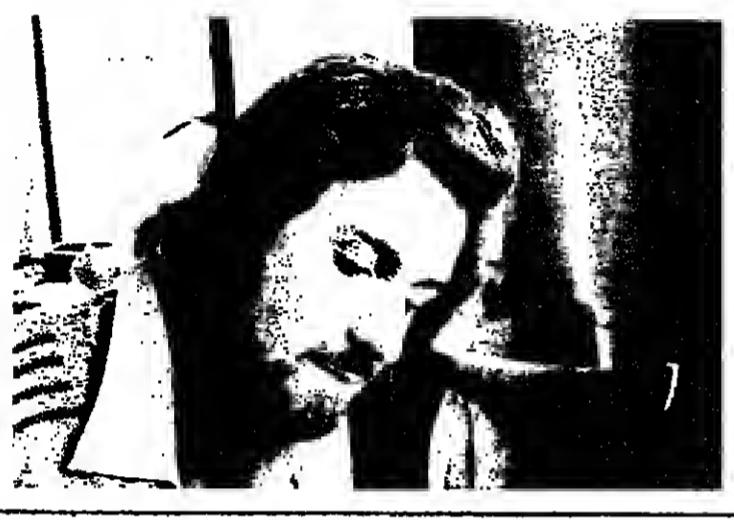
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Out boating with dad



On hole with brother Miles



In digs at Oxford



School trip from Hendon County

A life less ordinary

Even as a child, according to his older brother Miles, Peter Mandelson was a "great stylist". He was also "the opposite of a shrinking violet... He never seemed to be fazed by anything and always seemed to predominate in a situation". He was like a "miniature adult", comfortable in the company of adults. At the age of 13 he was cast in the Hampstead Garden Suburb Dramatic Society production of Terence Rattigan's *The Winslow Boy* as the eponymous hero, a cadet accused of stealing money. Despite having done nothing similar before, he showed no sign of stage fright. The *Hendon Times* was enthusiastic: "Considering his age... Peter Mandelson gave an excellent performance... Reduced to tears after being expelled, he switched convincingly into a sort of nonchalant attitude as his case drags on." What ever anxieties he may have had, according to Miles, they were overcome by "the lure of the limelight".

Family recollections are of a humorous, self-confident and sometimes rather mischievous little boy. If Peter was more extrovert than Miles, he could also be an "infernal nuisance", particularly as a comic stereotype of the annoying younger brother. Walking home with Miles one afternoon shortly after he started at Hendon County grammar school, he saw some girls from Henrietta Barnett on the other side of the road. To Miles's horror, Peter shouted across to the girls, "What do you think of my brother?" Peter thought it a great joke; to the adolescent Miles it was mortifying enough for him to complain vigorously to his mother about it. On a family holiday to Spain, Miles had only to pass the time of day with a "Spanish lass" for Peter to dance round him chanting, "Milo's in love, Milo's in love".

But although Miles was shyer and less gregarious than his younger brother, he was also able to get the measure of him. On one occasion Miles, in a fit of teenage inspiration, conferred a new alias on his brother: "Osmoid Smish, the Italian mind-your-own-businessman." It conveyed "the kind of character you could imagine my brother becoming", explained Miles: "someone with probably an over-inflated sense of his own importance but also someone who is a wheeler and a dealer or a fixer." The name was almost certainly suggested by one of Kenneth Horne's radio comedy shows. Peter, by all accounts, revelled in his new celebrity as Smish – the name by which he is still known to his family and to some of his closest friends outside politics.

Number 12 Bigwood Road was a lively, comfortable and entirely Labour household to grow up in. The family went on holidays abroad: Tony Mandelson chose his cars with care; the family owned a Sunbeam Talbot Convertible. Tony Mandelson's gregariousness and showmanship were inherited by his younger son. Photographs reveal Tony, the advertising director at the *Jewish Chronicle*, as exceptionally handsome.



Mandelson

'Eventually,' reported his headmaster, 'he will wish to undertake some great task on behalf of humanity.' In this extract from *Mandelson: The Biography*, Donald Macintyre leafs through the family album and finds a 'miniature adult' destined for politics from infancy, a mischievous Young Socialist and a mysterious Young Communist

Peter has since said that in other ways he is "so like my father I can feel it". But he was probably closer to his mother. By contrast the shyer and less extrovert Miles Mandelson was more like his mother but correspondingly closer to Tony Mandelson. Miles always considered Peter to be Mary Mandelson's "favourite son. Still is. I don't say this out of any feelings of jealousy. She's very even handed about these things, and I think she would have to think she had a favourite. But they are more in tune with one another at an emotional level, as well as an intellectual level." He also tended to get his way: when Miles Mandelson left home, "the study" at Bigwood Road became "Peter's study", where he would prepare for his A-levels to the sound of Bach and Telemann records put on the gramophone by Mary Mandelson.

The young Mandelson's interest in politics, his mother Mary judged, began at the age of "about five". When her father, Herbert Morrison, on one of his rare visits to Bigwood Road, departed without waiting for Peter to get back from school, he burst into tears – as much, perhaps, because he was a politician as because he was his grandfather.

Mandelson appears to have been something of an instant success at Hendon County grammar school. By the end of the fourth year the formidable headmaster, Maynard Potts, was cautiously marking him out for higher things: "Can he gain the really high grades which would warrant an application to Oxford and Cambridge?" he asked. Peter was not exactly sporty, though at 14 he was in the school rugby team, and the following year he was in the athletics team as a "very efficient" manager. One fourth-form report on the boy who would later become something of a fitness fanatic, working out and swimming regularly, put it laconically: "Lazy, but improves with the weather."

Steve Howell and Peter Mandelson grew up together politically. Howell, who also attended Hendon County, had had little to do with Mandelson until they found themselves in the same set for several O-level subjects. He was struck at the time by two aspects of Mandelson's standing in the school. One was that "He was much more mature than other people in the year. I remember he used to spend

time chatting with the teachers on almost equal terms, which most people in the year wouldn't do."

Howell, who was to socialise regularly in Mandelson's company over the next four years, also remembers another Mandelson trait: "Peter's very funny when he's talking about other people. He likes a good gossip. He likes characterising other people." Mandelson apparently shunned big teenage parties, preferring to meet people "in smaller circles where he could be the kind of focus of the thing and entertain everyone... and have a laugh." According to Howell, Mandelson was already "an incredible anorak" about the House of Commons, inviting friends, especially on long car journeys, to test him with the names of parliamentary constituencies so that he could answer with the name of the sitting MP. "He'd be laughing at himself while he was doing this, but actually he could name every single Labour MP." But the boys' common interest in party politics did not blossom into activism until one autumn afternoon in 1969, when they were talking to Howell's grandmother Winnie, a local Labour stalwart, who suggested the boys re-form the then dormant branch of Young Socialists in the constituency. Which they enthusiastically set about doing.

The stencilled YS magazine regularly carried Mandelson editorials. One issue, in March 1970, was already sternly warning against participation for the wrong reasons. The branch was not a "Friday night little social club": it was not enough for members to turn up "because they had nothing better to do or because they are particularly interested in Atomic Energy or because they wouldn't mind having a look at Danny Abse or Will Howells [two recent guest speakers]. YS members urgently needed to examine big questions like: 'Are we getting the right people along to our branch meetings? Are we really doing anything worth while at all?'

At the end of his first term in the sixth form EW Maynard Potts MA MSC Hon. FRIBA, as he imposingly styled himself, commented: "Eventually he will wish to undertake some great task on behalf of humanity." The report was written a matter of weeks before Mandelson joined the Young Communist League.

In joining the YCL, Mandelson may have been

influenced by his close friendship with Howell. At

each of leading the other astray. In interviews Mandelson has tended to play down his YCL membership – for example, telling the *Independent on Sunday* in 1996: "I went to the meetings. I really can't remember what led me to the YCL. It was short lived. I felt no identification. I spent far more time setting up a tremendous youth club at the Winchester Arms at Swiss Cottage, tearing it apart with my bare hands, then rebuilding it to make it structurally sound."

This is not the whole story. He was active in the YCL from February 1971 to September 1972, regularly selling the *Morning Star* and *Challenge*, the YCL newspaper, and attending a YCL Congress in Scarborough as a steward.

What did Mandelson get from his time as a Young Communist?

Looking back, his close Hendon County friend and colleague Keren Abse, who is now a teacher, reflected that Mandelson was as discontented a communist

as she was

but that it may never-theless have subconsciously influenced his later political style: "The thing about the YCL is that it is incredibly disciplined, with its committee structure... you learn how to manipulate and be Machiavellian... I used to do a lot of union negotiations and I always used to think 'God almighty, people are bloody

naive in this room.' So I think that discipline... was also attractive."

Mandelson was energetic in arranging his post-school year. Having been accepted at St Catherine's College, Oxford, to do Philosophy, Politics and Economics, he wrote to the anti-apartheid priest Trevor Huddleston, then Bishop of Stepney, whom he had heard on the radio talking about Tanzania. His mother suggested he go to see "how Julius Nyerere is doing" – Huddleston arranged for him to work on a rural diocesan mission in Tanzania – then regarded as a model of uncorrupt African socialism. What Mandelson did not discover until nearly a year later, when rifling through his own file while working briefly in the diocesan office in Mwanza, was that Huddleston had secretly promised his fellow bishop that he would pay Peter's board and lodgings for the year out of his own pocket.

"I'm happy when I think of all the things around me... to learn and discuss" he reported in a letter to Steve Howell days after his arrival. I just wish there was someone other than egocentric, sports-fanatical, Canadian engineers and apolitical VSO agromechanics to share it all with. I'm dying for a good bloody argument, a laugh and a glass of whisky. And I wish they wouldn't keep saying 'grace' before they eat. All this religion is positively unhealthy..."

Mandelson's long, fluent letters to family and friends mixed sharp, detailed and sometimes funny observation with – at times dauntingly comprehensive – meditations on the theory and practice of Nyererean socialism.

They also gave a rather surprising picture of an introspective young man trying earnestly to work through the big questions in politics – and even in religion. The work at Buhemba planting gum trees was not too hard: he spent an enjoyable Christmas with the missionary, Merry, and his wife Beatrice. Hart at Musoma. Beatrice taught him to make date gingerbread and cakes: "An inward feeling swept through my body... of the humorous informality, not to say eccentricity, and the refreshing flow of mangoes, avocados and whole-wheat that are the Hart household."

During the Harts' "lavish" Christmas dinner, "I sat next to Mr Method. Merry's appropriately named Swahili teacher, who having been told my full name persistently rather disconcertingly addressed me as 'Mandelson'. Mr Method's English was quite funny on occasions. On being

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FASHION

Plea for peace

Sir: As long-time activists for a democratic and anti-nationalist Serbia, who have chosen to remain in Yugoslavia during this moment of crisis and who want to see our country re-integrated into the community of nations, we strongly condemn the Nato bombings, which have hugely exacerbated violence in Kosovo, the ethnic cleansing of the Albanian population by any Yugoslav forces and the Kosovo Liberation Army's violence against the Serbs, moderate Albanians and others.

The humanitarian catastrophe in Kosovo - death, grief and extreme suffering for hundreds of thousands of Albanians, Serbs and others - has to be ended now. All refugees from Yugoslavia must immediately and unconditionally be allowed to return to their homes, their security and human rights guaranteed, and aid for reconstruction provided. Perpetrators of crimes against humanity, whoever they are, must be brought to justice.

The fighting between Serbian forces and KLA has to be stopped immediately in order to start a new round of negotiations. All sides must put aside their maximalist demands. There are (as in other numerous similar conflicts such as Northern Ireland) no quick and easy solutions. We all must be prepared for a long and painstaking process of negotiation and normalisation.

The bombing of Yugoslavia by Nato causes destruction and growing numbers of civilian victims (at least several hundred, maybe a thousand, by now). The final outcome will be the destruction of the economic and cultural foundations of Yugoslav society. If continued this conflict can escalate beyond Balkan borders and, if turned into land military operations, thousands of Nato and Yugoslav soldiers, as well as Albanian and Serbian civilians, will die in a futile war, as in Vietnam.

The democratic forces in Serbia have been weakened and the democratic reformist government of Montenegro threatened by Nato's attacks and by the regime's subsequent proclamation of the state of war, and now find themselves between Nato's hammer and the regime's anvil.

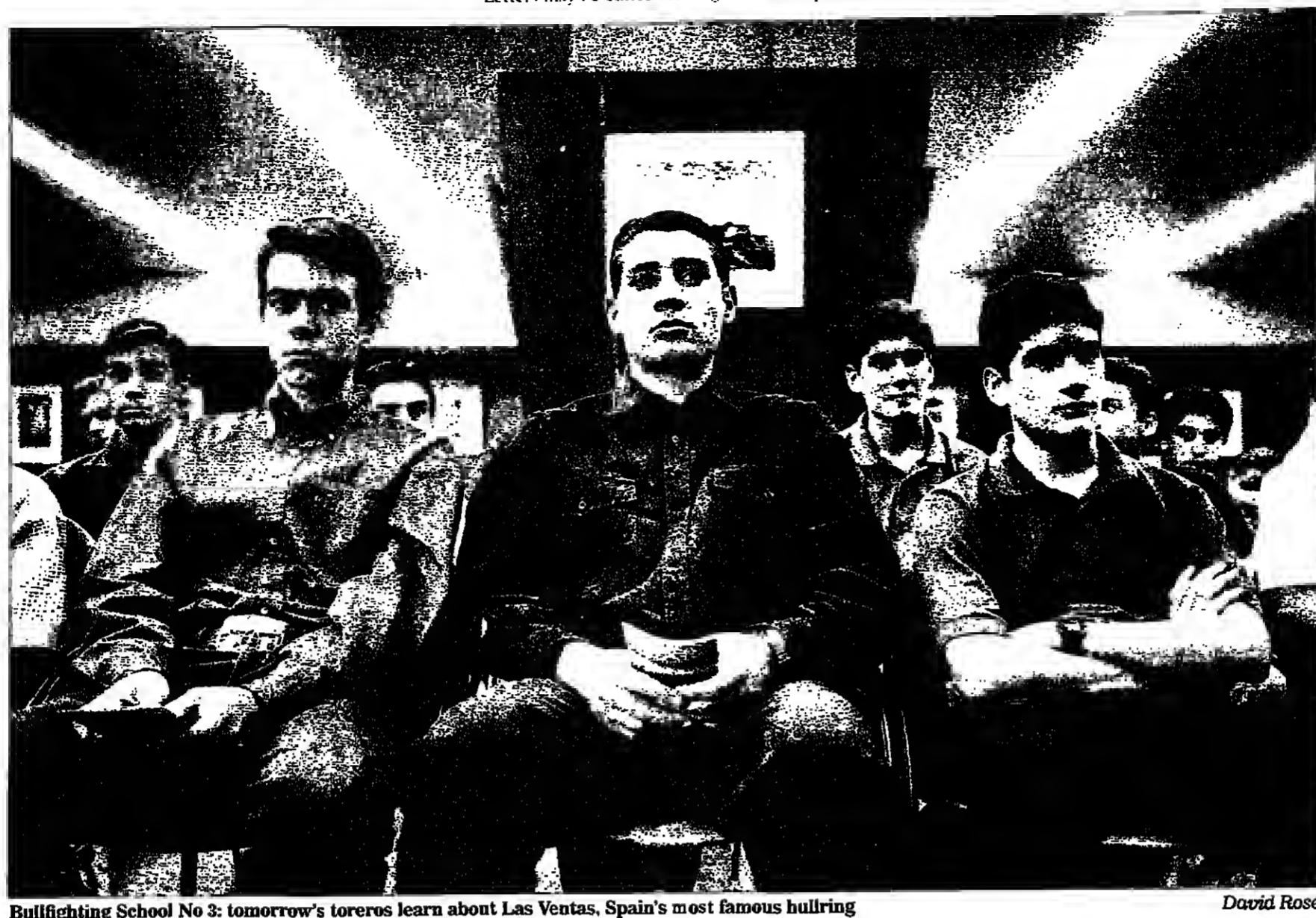
We appeal to all: President Milošević, the representatives of the Kosovo Albanians, Nato, EU and US leaders to stop all military activities immediately and engage in the search for a political solution.

STOJAN CEROVIC
Columnist, "Vreme"
JOVAN CIRILOV
Belgrade International Theatre
Festival
SONJA LICHT
President, Fund for an Open
Society Executive Board
VERAN MATIC
Editor in Chief, Belgrade
Radio B92
VIDA OGNJENOVIC
Theatre director, playwright
IVAN VEJVODA
Executive Director, Fund for an
Open Society
and 21 others
Belgrade

Sir: Bruce Young (letter, 20 April) informs us that 200,000 Serbs left their homes and belongings in the Krajina region of Croatia in August 1995 merely because their Serb leaders told them to.

In fact, prosecutors at the Hague War Crimes Tribunal have the names of three Croatian generals who are wanted for the crime of raining shells on the civilian inhabitants of Knin, the main city in Krajina, in August 1995. Such atrocities, and others agencyed by human rights agencies, precipitated the Serb flight.

Ethnic cleansing is ethnic cleansing no matter who the perpetrators. Or has the doublethink which Robert Fisk has so outstandingly exposed in *The Independent* gone so far that any



Bullfighting School No 3: tomorrow's toreros learn about Las Ventas, Spain's most famous bullring

David Rose

crime can be excused in order to justify the madness of Nato's bombing campaign?

KEVIN OVENDEEN
London N16

Sir: Robert Fisk has missed only one point - Kosovo was part of the dominions of King Pyrrhus of Epirus.

DEREK J COLE
St Leonards-on-Sea, East Sussex

Sir: Nato bombs kill families in their homes; not enough of the bodies left to bury. Accident. Elderly people's residential home hit. Accident. Workers in undefended car and washing machine factories will spend the rest of their lives crippled. Accident. Passengers burnt to death after their train hit by missiles. Accident. Scores killed in attack on refugee convoy. Accident. Casualties to Nato servicemen, none. This looks to me like a massacre. How many of the judges in the Hague are from Nato countries?

DAVID WRIGHT
Norwich

Ageism in the NHS

Sir: We are writing in response to the recent Gallup survey commissioned by Age Concern showing that one in twenty people over 65 believe they have been refused treatment by the NHS because of their age (report, 19 April).

While successive governments maintain that treatment is provided on the basis of need there is increasing evidence that older people are losing out. There are unequivocal examples of discrimination against older people within the NHS: 20 per cent of coronary care units operate age-related admissions policies and 40 per cent attach age restrictions in the giving of clot-busting thrombolytic drug therapy after heart attacks; women over 65 are not routinely invited for breast screening despite evidence that they are at much greater risk of

developing the disease; and there are GPs' surgeries which refuse to see patients over 65.

Many older people are expected to live with treatable conditions and accept them as the symptoms of growing old.

We call on the Government to acknowledge that older people are often discriminated against in the NHS and to conduct a national survey into the extent of age discrimination in the NHS.

SALLY GREENGROSS
Director General
Age Concern England
CHRISTINE HANCOCK
General Secretary
Royal College of Nursing
CLARE RAYNER
President
Patients' Association
Sir STEWART SUTHERLAND
Chair
Royal Commission on Long Term
Care
London SW16

Adoption obstacles

Sir: Two matters related to the well-being of children which you have recently aired in your columns are not unrelated: the prevalence of abuse and the obstructions put in the way of couples anxious to adopt.

Sir: Peter Sayers (letter, 20 April) assumes that the National Lottery was designed with common sense. More people winning smaller sums - enough to pay a bill or settle a debt - would, indeed, be socially useful. Unfortunately, the purpose of the lottery is the age-old one of providing a route to affluence for a very few. Whilst this chance exists, poorer people can be soothed by it, while society remains unchanged.

ELAINE D HOPKINSON
Cropton, North Yorkshire

Sir: Alan J Page (letter, 20 April) says it should be an

single girl who allows themselves to become pregnant often make excellent mothers for small babies; but they are less competent in coping with obstreperous toddlers, especially when they enter into - as they naturally will - new liaisons with men who are not the fathers of their children.

Where social workers have gone off the rails in relation to adoption is in attempting to set absolute standards of suitability when they should be deciding between the actual options available at the time for the placement of a particular child: the unobtainable best becoming the enemy of an achievable good, however less than perfect.

There is also a lot to be said for the two "mothers" meeting before the handover. No natural mother can be happy in transferring her child to the care of an unknown stranger, while the adopting mother needs to be able to say to the child that the natural mother handed him/her over for their sake, not hers, and was in tears at parting.

The nation simply cannot afford - morally, socially or financially - to allow considerable numbers of its children to be damaged beyond repair. It is absurd to be spending

huge amounts of NHS money on fertility when so many children are being conceived and reared in circumstances that militate against their achieving real maturity. These are our children whose work as adults will furnish our pensions. We are being neither hard-headed nor soft-hearted enough to cope with their needs sensibly.

JOHN A DAVIES
Professor Emeritus of
Paediatrics, University of Cambridge
Cambridge

Fathers at home

Sir: Why does Owen Whitaker believe it is not instinctive for a father to care for his children? ("When Dad's left holding the baby", 19 April)? Presuming childcare is naturally a woman's responsibility and desire is exactly the sort of attitude that makes it difficult for men to stay at home whilst their partners work.

I write this while my 20-month-old son sleeps upstairs, the baby monitor at my side and my wife at work pursuing her very important career.

Like Owen Whitaker, I have found I'm the odd one out as a house-husband. People assume I

am looking for work, that I am filling in for a time, that this is not really me. But I don't feel a lack of self-respect. I feel proud to care for my son, proud to be a house-husband.

My main need is for this to be seen as natural and normal and to be treated as all other carers are.

And if men are seen as natural instinctive carers women can be seen as natural instinctive "hunter-gatherers" pursuing careers.

MARK JEFFRIES
Congleton, Cheshire

Commons privilege

Sir: The news (report, 20 April) that the Speaker of the House of Commons has refused to make the decision to restore the Newark seat to the duly elected MP after the Court of Appeal had quashed her earlier conviction, but has instead referred it to the High Court, is greatly regrettable.

In an ordinary court of law there has been guidance by the Court of Appeal as regards the giving and taking of expert advice; but in matters relating to the Houses of Parliament, each House is "its own master" and no court in the land could challenge these prerogatives or conventions.

I am sure that the late Lord Chief Justice Edward Coke would turn in his grave to learn from whatever place he is dwelling now that the current Speaker of the Commons has refused to exercise her authority in the conduct of the business of the House. In the early 17th century he wrote in his *Institutes* (4th volume, p38): "Of the power and jurisdiction of Parliament, for making laws in proceedings by Bill, it is so transcendent and absolute, as it cannot be confined either for causes or persons within any bounds."

The case of Fiona Jones at the present time is purely a procedural matter for the House of Commons alone.

DAVID C de MASSEY
Ely, Cambridgeshire

Cost of the car

Sir: While applauding Andreas Whittam Smith's publicising the car-free exhibition at the Oxo Tower (Comment, 19 April), I was struck by the extraordinary lengths some drivers want us to go before they will abandon their motors. I was surprised no one has yet suggested a rickshaw (powered by the unemployed) waiting outside every house.

Those of us who have never owned a car or have given up know that life is already entirely supportable in urban areas without a car. The financial savings are, of course, enormous so that when a motor is needed we have the means to pay for a taxi.

Increase investment in public transport by all means, but don't give hardened motorists the ability to argue that they could not start to wean themselves off their cars straight away.

GEOFFREY THOMPSON
London SE13

Sir: Andreas Whittam Smith says, "Never forget the massive advantages car ownership provides." What he means is the perceived and marketed advantages, the images produced by advertising men of cliff-top roads and empty cities where you can park right outside your place of work.

He fails to mention the massive disadvantages of car ownership for the urban user. It costs a fortune (depreciation, tax, insurance, fines, repairs and servicing, petrol); it is inconvenient (traffic, lack of parking, fear of theft); you cannot consume alcohol; it is unhealthy (no exercise, the radiator sucks pollution into the vehicle interior). This is without even going into the disadvantages of car ownership for society.

WILLIAM KAIL
London N16

Sir: Andreas Whittam Smith has a little sideways dig at Welwyn Garden City, suggesting it is too spread out for our own good.

WGC is not the most exciting place in the world - the centre dies by 6pm - but as a cyclist I can tell you that it is bike-sized. On mine today I have visited the local hospital, shopped in the town centre, cycled out to a pub for a glass or maybe two and all without raising a sweat or tiring my elderly legs.

MIKE WALKER
Welwyn Garden City,
Hertfordshire

Archers on target

Sir: Who can have come to write your piece on Michael Powell ("Accidental Heroes of the Twentieth Century", 17 April) without knowing that the great Colonel Blimp in Powell and Pressburger's film was Roger Livesey?

Without Livesey's humane performance, *The Life and Death of Colonel Blimp* would have been the brittle satire Powell first planned, when meant to cast Olivier as Blimp. (Anton Walbrook's role, of course, was as Blimp's lifelong German friend.) Livesey's interpretation of Blimp, funny, moving, romantic, idealistic, out-of-date, yet becomes the finest character in the film.

Emmett Pressburger and Roger Livesey were both essential to Michael Powell, a unique and brilliant director but a man who though fascinated by good and evil often failed to tell the difference. It was Pressburger who gave human understanding to the whole wonderful run of the Archers' films. Only after the end of their partnership did Powell's obsessive solo essay *Peeping Tom* somewhat dismay and disperse his following.

JILL WATT
London W8

Killing with style

Sir: I note with interest your current series of photographs of a bullfighting school. What next? The bear-baiters of Pakistan learning how to pull claws out with panache or the badger-baiters of middle England perfecting a stylish swipe with a spade?

MARGARET V DARMODY
Leamington Spa, Warwickshire

tions, any more than you can divide the year into seasons."

But we do divide the year into seasons!

"Yes, odd, isn't it? Who says that there are four seasons in a year? Two I could understand. The cold bit and the hot bit. The wet bit and the dry bit. But four? Why do we give a separate seasonal name to the transitional periods? In some cultures, autumn is just the end of summer and not a separate season at all. You see..."

"Let's leave the professor there. Let's tiptoe out of the room and leave him talking. Because, according to domestic maths, if I've got this right, the talker and the listener can sometimes be the same person. And in this instance it seems better that way."

Excuse me! Could I have a minute of your time, please?

Very Unusual Jobs Indeed No 44 in our series

A professor of domestic mathematics

Stephen Hope-Bastable is professor of domestic mathematics at Milton Keynes University. But what is domestic maths? Is it really different from any other kind of maths? And where on earth did a new kind of maths come from when we weren't looking?

"Oh, come on!" says the ebullient Professor Hope-Bastable. "The public is always ready for another kind of maths. Ten years ago nobody had heard of 'chaos theory', and now they accept it. They haven't the faintest idea what it is, but they accept it. I hope they will do the same for domestic maths."

And what is domestic maths when it is at home?

"It is a recognition that imprecision has its own value," says Professor Hope-Bastable, warning to his subject. "It is a recognition of the fact that when the average human uses numbers, he gets vague and fuzzy, and that it doesn't matter. For instance, when we say to a friend that we will see them in 'a minute', we don't actually mean a minute, do we? We don't literally mean in 60 seconds. It could mean five minutes or 10 minutes. It almost never is a minute. But it is almost always obvious from the context what is meant, and the other person usually knows."

"Same in cooking, when we say 'a pinch of salt' or 'a knob of butter'. Same with the word 'couple'. Domestic maths reveals that we very often ask the wrong question,

IN BRIEF

offence to prescribe the Pill to girls under the age of 16. If Mr Page believes that being refused the Pill will dissuade a girl from having under-age sex, he is naive. The law has little or no influence against the force of peer pressure and the desire to appear adult. Cigarettes and alcohol are illegal to sell to under-age people because they cause physical harm. The Pill is legal because it is a force for good: namely the prevention of unwanted pregnancies.

BEN BAWDEN
Godalming, Surrey

Sir: Your review of Bella Bathurst's book *The Lighthouse Stevensons* (17 April) states that the line ended with Thomas's son, the writer Robert Louis Stevenson. This may be where the book ends, but another two generations served the Northern Lights: RLS's cousins David A and Charles, the sons of Thomas's brother David, were succeeded by D Alan, the son of Charles. (See *A Star for Seamen* by Craig Mair, John Murray, 1978). No wonder RLS was proud of his family's achievements.

RONA WIGHTMAN
London SW1

number! Only a vaguely correct number. It's like asking: "How many sections are there in a newspaper?"

I'd probably think: "Where did that third sock come from?"

"Exactly! But what you should ask, of course, is: 'Where did the fourth blue sock disappear to?' You see? Same facts, different question. Makes all the difference. Here's another one: how many balloons do you tie on your gatepost to signify you're having a party? Half a dozen? Ten? Twelve? More? You see, you don't know, do you? Actually, all you can say with certainty is that it should be more than one - because one balloon tied to a gatepost is just sad - and less than 100 because 100 balloons would look silly. But what is the correct number? There is no correct

tumble dryer, and found you had, not a pair of light blue socks but three light blue socks, what would be your first thought?"

MILES KINGTON

When the average human uses numbers, he gets vague and fuzzy, and it doesn't matter

150

Technology
microchip
end animal

THE INDEPENDENT

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Technology of the microchip will not end animal cruelty

THE CURRENT boom in animal-based docu-soaps, with the plethora of programmes such as *Animal Hospital*, *Animal Police* and *Wildlife Police*, has brought one unexpected benefit in its wake – other than that is, than a boost to the career of Rolf Harris.

The sight of ducks going under the anaesthetic and of iguanas in slings has made us much more conscious of animal welfare and correspondingly more willing to report incidents of cruelty to the relevant authorities. This, rather than any underlying surge in sadism, seems to be the reason why the number of convictions for cruelty rose by 17.5 per cent last year.

We should welcome the success of such prosecutions, and the increasing willingness of magistrates to use heavy penalties. But, as the RSPCA has emphasised, the perpetrators of many of the most horrific crimes remain unprosecuted because they cannot be traced. The RSPCA believes that, by encouraging the use of microchips to tag pets, the incidence of animal cruelty will be reduced because owners will be linked to the creatures in their care. The RSPCA may be overstating its case.

"Chipping" is, of course, a good idea and has already been embraced by many responsible owners. It makes for a more responsible ethos of pet ownership and it helps to trace stray animals.

The decision by the Government to launch a pilot scheme for "pet passports", whereby chipped animals with inoculations become exempt from this country's onerous quarantine regulations, has given the existing voluntary schemes some extra impetus. Some 700,000 animals are now fitted with microchips.

But, useful as all this may be, it is impossible to envisage that those owners who are most likely to neglect or maltreat the animals in their care would go to the trouble and expense of having their pets chipped.

The only circumstances in which you could imagine their doing so would be if chipping were to be made compulsory, backed up by the law and some hefty deterrents. It would also have to be backed up by heavy policing. How else could you detect the absence of an invisible chip than by frequent spot checks by the constabulary or by local authority dog-catchers?

It is hard to justify devoting vast new resources even to so worthy a cause as animal welfare when there is so little prospect of the guilty being caught.

The Government is setting up a working party on the permanent identification of dogs, via microchips or tattoos. It should be given every encouragement to devise a workable scheme that overcomes the many valid objections. But we should be under no illusion that its deliberations are likely to bring an early end to cruelty to animals.



A new chance for Indian democracy

INDIA'S CONGRESS party is facing a prodigious task if it is to win enough parliamentary hacking to form the country's next government. Having led the country to independence and ruled it for most of the past 50 years, Congress is the most likely successor to the 13-month-old coalition government led by the Hindu nationalist Bharatiya Janata Party (BJP). The coalition lost a confidence motion earlier this week by one vote.

Congress, however, has only 139 MPs, well short of the 271 it needs to form a government. Its pool of future leaders is so uninspiring that the party has had to turn to Sonia Gandhi, the Italian-born wife of the assassinated Prime Minister Rajiv Gandhi, in the hope that her famous surname will give the party some electoral charisma.

But the increase of corruption and regionalism without ideology that has blighted Indian politics has not disappeared with the collapse of the BJP coalition. The BJP was defeated when it lost the support of the 18 MPs from a South Indian party run by Jayaram Jayalalitha. The film actress turned politician is famous not only for her collection of 10,500 saris and 350 pairs of shoes but also for bribes she is alleged to have taken while chief minister of the southern state of Tamil Nadu. She decided to pull out of the government coalition when the BJP refused to sack the present governor of Tamil Nadu, where she and her associates face 48 corruption charges.

The BJP's government was mainly, but not all, bad. It did little to prevent a wave of violence against Christians and continued with nuclear testing. However, it did manage to negotiate February's Lahore Accord with Pakistan, in which India and Pakistan agreed to give advance warning of missile tests. The BJP government brought a measure of stability to India and showed the

Congress that it had a fight on its hands. The decision by Congress to pass the BJP's budget has buoyed up the Indian stock-market and gained plaudits for its responsibility. What it really proves is that the parties essentially agree on the economic management of the country.

None the less, it does matter who is in power. The insurance industry, roads and rail all need to be modernised if the economy is to grow. Improvements to India's ailing infrastructure cannot occur without government backing; government backing is impossible when policy is in the hands of short-lived, hickering coalitions.

India's bureaucrats and superb judiciary have saved the country from the army coups and hyper-inflation of South East Asia and South America. But while the economy is still largely run by bureaucrats, it is unable to fulfil its sub-continent-sized potential. India may need to change its political system to the French model – with its combination of president and prime minister – if Indian democracy is to pull out of its spiral of descent.

If the Tories didn't exist, would we really need to invent them?

IF IT isn't too rude to ask, what is the Tory party for? It is doing its best to confuse us about the answer. As the 20th anniversary of Margaret Thatcher's first victory looms, William Hague is preaching something called kitchen-table Conservatism: what it means I cannot tell you. But let us not worry too much – there is sure to be another relaunch along soon.

Now Peter Lilley has decided that the proper response to the continuing doldrums is to bow remorse for the ideology of the past. It is not a pretty sight. On the same day, the Centre for Policy Studies publishes a guide to the future by the Conservatives' former advertising guru Maurice Saatchi and the economist Peter Warburton. They predict that voters will become disillusioned with Labour because: "Taxes are always going up but the Government never seems to have enough to spend on the good things like health and education."

The pair then call for greater independence from government and better incentives for individuals and groups to take initiatives. It is a recognisably clear dry Conservative position. The only trouble is that it is almost diametrically opposed to Mr Lilley's call for Tories to stop fighting for free market causes. Conservatives are starting to occasion an unfamiliar emotion in me: pity. One friend, a lifelong activist who has spent years canvassing Labour voters with large dogs in unwinnable seats, and eaten more rubber chicken than the human digestive system can be expected to take, called after the reports of Mr Lilley's mea culpa and said simply, "I re-

ally don't know what it is that I belong to any more."

Mr Lilley is deputy leader of the party and responsible for reviewing policy, so his comments cannot be dismissed as just another existential wobble by a depressed member of the back benches. He rose and thrived as a Thatcherite of the purest water. On the scale of great recantations, his call for the Tories to move away from market principles in health and education is a bit like Galileo announcing that the sun did go round the earth after all. But then, Galileo had the inquisition to worry about; Mr Lilley, the last I heard, was not similarly threatened.

The source of his intimidation lay elsewhere – in the focus groups which report that the public does not trust the Tories on the NHS and on the welfare state. But then, the public never did, all through the years of Conservative electoral dominance. Voters simply believed that the Tory party was cruel but efficient. Now they believe it is cruel and inefficient. Conservatism has what its social worker would call low self-esteem. Hence the desperate slash and burn operation on its old beliefs. At this rate, the faithful will be reduced to watching bootleg videos of Thatcher's speeches in bunkers.

Officials point out that expenditure on health and education actually rose faster under the Tories than under Labour. This admission used to pain Mr Lilley greatly: I remember that he took pride in responding that the rate at which spending rose was slowing down. Now the party has taken to presenting what it once con-



ANNE
MCELVOY
Mr Hague is preaching about 'kitchen-table Conservatism': what it means I cannot tell you

sidered its failure to curb state spending as a virtue, which is a bit like telling suspicious dinner guests that the socialist is really meant to be that flat.

All defeated parties have to come to terms with the shift in political realities. This is what Mr Lilley is attempting to do in returning to the explicit acceptance that state education, the publicly funded NHS and a comprehensive social security system are un-touchables. This is the ground the Tories occupied between the times of Rab Butler and Edward Heath. Thatcherism was as much a response to the dead-handed corporate statism of Heath as it was a revolt against the left. The Mr Lilley of 1999 has taken up cudgels against his 20 years younger self. Why?

Here is a forensic and intelligent politician who understood the full im-

pact of New Labour rather earlier than his more bumptious front-line colleagues. He has always admired Peter Mandelson's role in modernising the Labour Party, so much so that he once pointed out Mr Mandelson to me at a very loud party with the words, "That man used to be my pin-up." At least I thought that's what he said. When I passed on the compliment to Mr Mandelson, the then minister rolled his eyes and said, "What he really said was that I used to be his pin-up." It was a grave disappointment to discover that the two had merely been twinned in the Commons system that allows MPs a night off voting now and then.

Today, however, New Labour really is Mr Lilley's pin-up. There is only one example of a party recanting so much of its past and becoming more attractive to the voters and that, of course, is the Labour Party of Tony Blair. But the position of Mr Hague's party after the 1997 defeat is only superficially analogous with that of the Labour Party after 1979. The Tory Party changed the terms of the argument in Britain about economics, trade union legislation and the role of the state. It moved the consensus in a direction of privatisation and lowering labour costs which many other countries have chosen to follow and adapt. Mr Blair was in the fortunate position of being able to take on great swathes of the Thatcherite settlement and add some popular alleviations such as the minimum wage, limited rights to trade-union representation and a slightly more redistributive emphasis in taxation.

Mr Lilley on the other hand, is call-

ing on Conservatives to accept old pieties about the role of the state which lag behind events, rather than point the way ahead. His call for a return to acceptance of the post-war welfare state and a publicly funded NHS is out of date even in New Labour thinking. If throwing money at education worked, we would have the best schools in Europe. We do not. If the NHS could keep up with rising demand simply by expanding the amount decanted from GDP into it year on year, then that is what the Government would do.

But Mr Blair knows that these are not adequate responses to the problems of our public services. There is nothing sacrosanct about the state. It is a delivery system for services. When it fails to deliver as too many schools and too many sectors of the NHS do, we should look at alternatives. The Government accepts this in opening the way to privatising failing schools. It is already preparing to remove service provision from local authorities that under-perform. I have not yet noticed a popular backlash under the banner "Spare our council the indignity of scrutiny".

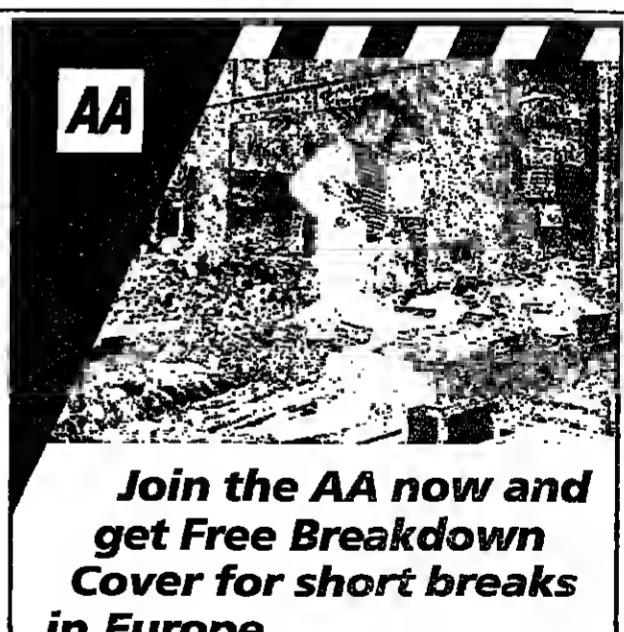
It is still unpopular to say so, but I believe that the Government will, in time, impose some NHS charges in order to free funds to maintain the quality of essential services. These are the debates that will really shape the future of our public services. Late converts to the comforting certainties of the welfare state from a Tory Party down on its luck do it no service. These are different times. They're so Old Labour these old Thatcherites.

QUOTE OF THE DAY

"If we have been successful once, we can be successful again." Alex Salmond, leader of the SNP, on the potential of the Scottish economy

THOUGHT FOR THE DAY

"It is your business when the wall next door catches fire." Horace (Quintus Horatius Flaccus), Roman poet



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ALL THE NEWS OF THE WORLD
German reaction to the opening of the Reichstag in Berlin

happen. What has been achieved up to now is not impressive; not when measured against original intentions. Schröder was offered the chance to change this with the Reichstag building, but he preferred to stick to Helmut Kohl's optimism.

Berliner Zeitung

BERLIN IS not simply an enormous conglomeration of cranes and diggers. Politically it also resembles a workshop or build-

THIS SIMPLE beginning with the reopening of the Reichstag building may well reassure all of those Germans who, for various reasons, were afraid of Berlin and a possible "Berlin Republic".

The opening of the Reichstag was, thankfully, a celebration without overkill and embarrassments – apart from the handing over of a giant symbolic key, which had overtones of the opening of a local savings bank rather than one

of our important parliamentary buildings.

Suddeutsche Zeitung

THE CONCERN that a sovereign Germany could lose its sense of proportion is hardly justified, and yet it is necessary. Bonn does not deserve ridicule and scorn. We are continuing Bonn in Berlin and we are beginning something new in a house of democracy oriented towards the future.

Die Welt

Bringing it all back home



DEBORAH ORR

In a world of hate and violence, why should I not find a nail bomb on my own doorstep?

ON THE day after the bombing of Belgrade began, I leapt on to a plane, not as a journalist headed for a war zone, but as a daughter-in-law who was travelling towards the final battle of a single life that was growing more provisional with every hour that I and my family buried through the atmosphere.

And there were many of those hours, for my father-in-law had emigrated to Australia nearly 20 years before, disillusioned - socialist unrealist that he was - with the geopolitical exigencies of life in Britain. Born in 1919, into a Europe newly at peace, he had been a committed pacifist all of his life. Among the first of the young men to be called up during the Second World War, he had seen it through as a conscientious objector. Having made his stand so early in the war, he had had no idea of the scale of the horror and evil that would later emerge, although he never really made it absolutely clear whether the wisdom of hindsight had prompted him to reject his decision.

Certainly he suffered for his choice, as did his family. Many years later, he married a ballyhoo New York Jew who, by the time their union had become a private war of attrition, could not resist railing at him for standing by and doing nothing as her people were systematically slaughtered.

As he lay on his deathbed, assaulted by cancer and held firmly in the seductive, unforgiving grasp of sister morphine, he knew that at the end of his life span events were picking up where they had left off at the start of it, with bloody, vicious war in the Balkans. So goes this century, and so go so many others before it. Only the terminally ignorant can now fail to be aware that, for the fanatics of the Balkans, the trouble all started with the Battle of Kosovo in 1389.

What ran through the mind of Professor Peter Self as he lay dying, for much of the time unable to speak, but still able to hear and to think? That his life as a pacifist had been a life lived very much against the grain of the 20th century was one thing. But what of his life as a distinguished academic, writer and educator? Did he die doubting the true worth of the significant contribution



The aftermath of last Saturday's bomb which was detonated in a busy shopping precinct in Brixton, south London

DATE Trainer/Reuters

he had made to the fragile civilisation of humankind? Was he tempted to contemplate the carnage in Europe and conclude that we never, ever learn? It is a terrible thought, which didn't go away when some days after his funeral I realised that the service had been held on April Fool's Day.

Meanwhile, we had some practicalities to consider. Peter's death and funeral had taken place within a few days of our arrival in Canberra for a three-week visit. So there we were - in this absurd country that so recently and so tenuously had become a white man's country, and whose own land had been ethnically cleansed with the utmost brutality only a few generations before - far away from the war in Europe. We decided to take advantage of the commodity that Australia has more of than anything else, and hit the wide open spaces.

By the time we started driving through the countryside where *Mad Max* was filmed, we found ourselves having panicky thoughts about World War Three. Maybe we should stay in the bush and live with the blackfellas. The tribe who lived in this country was particularly bloodthirsty. Would I be subjected to circumcision and infibulation?

Would my husband's urethra be yanked out of its fleshy protection, not to be put back until it had been exhaustively tenderised with the blade of a blunt knife?

By the time we'd traversed the continent, and reached the Darwin home of my husband's old friend Kerry, we were feeling pretty spooked. Kerry works for the government as community liaison officer for the leader of the opposition in the Northern Territory. Basically, he spends his time visiting the Aboriginal outstations of the Northern Territory, doing what he can for the dispossessed indigenous people of Australia, while at the same time attempting to persuade them that they really should be voting Labor.

Here, among the cultural workers and political activists of Darwin, the Kosovo tragedy was not making much of an impact. These middle-class white lefties are dedicated to the cause of the blackfellas and transfixed by the longstanding troubles in East Timor. There, fresh atrocities were taking place on the day we arrived. Massacre, ethnic cleansing, ignored UN resolutions - Darwin was quite the home from home. Except, of course, that Indonesia is a country that Europe still feels it can do business with.

One woman, who seemed nonplussed by our wish to devour CNN's coverage of the Kosovo crisis, kindly explained to me that Kosovo to them was like East Timor to us. We had, she'd wager, barely heard of it. I replied that thanks to the not inconsiderable and broadly positive influence of one John Pilger on the media in Britain, we were in fact quite well up on it.

I certainly knew what Pilger's line on Kosovo would be, even though I hadn't seen a British publication for weeks. How odd, I thought, that he is against the use of intervention in Belgrade, but seemingly in favour of it in Jakarta. Can UN violence really be so much more moral than Nato violence? Does it have to follow that the involvement of the US in any conflict means that the operation is unsalvageably tainted?

My own worry about America's idea of itself as the world's policeman is that since it's so good at misreading the situations it involves itself in, the US should really be a little more backward in coming forward. But that opinion isn't a matter of principle, just of practicality, and I find that many of the left's "principled stands" on war and intervention sound knee-jerk.

Thoughts of violence didn't let up even at the very moment we said goodbye to Australia. As a going-home present, Kerry gave us a pair of enormous, heavy old boomerangs. They weren't for hunting, he explained to us. These were punishment boomerangs. They were wielded in unison, working down both sides of the body, first breaking both collarbones, last breaking both ankles. After this, the smashed-up miscreant would be pissed off by all the women members of the tribe.

We got on the plane home, punishment boomerangs clanking finally to see some British newspapers. They did not disappoint. Frederick Forsyth was calling for the unleashing of the dogs of war. Alex Salmon had kissed goodbye to his career by confusing his own unpardonable folly with Nato's, and the *Socialist Worker*, opportunistic as ever, was taking out ads in the national press and exhorting us to "Stop the bombing! Read *Socialist Worker*". If only ending wars were that simple.

Back home, I switched on the television news. The first, sketchy reports of a new bomb atrocity were being broadcast, this time not in Kosovo, but on the street where I've spent the vast majority of my Saturday afternoons over the last decade. In a world of hate and violence, why should I not come home from the other side of the world to find there is a nail bomb on my own doorstep?

Whether or not this was the work of Combat 18 is almost immaterial. The fact that anyone could make a call from the scene of an 18-year-old's murder in order to make such a hateful claim is simply more proof, if proof were ever needed, that violent, destructive, murderous hatred is a central part of the human condition. Plenty of modern Britons aren't above a little ethnic cleansing, any more than they were in the last century, when they arrived in Australia.

The only way to protest against this awful truth is Peter's way. But the only way we can really try to bring it to an end is by retaliating in kind. And in this way a peaceful humanity remains out of reach. I'm proud of what Peter did in the war, even though I'm also grateful to all of those who fought. There is no paradox here, any more than there is a paradox in the fact that for the foreseeable future, peace in this world is something that has to be fought for.

RIGHT OF REPLY

JONATHAN HIRST



The vice-chair of the Bar Council answers criticism of the "culture of compensation"

IT IS true that people are much readier to complain than they were in the past and to demand compensation. And, of course, some claims are trivial or ridiculous or even downright dishonest. But that is only part of the story.

There are two main reasons for the growth in complaints. First, the public is no longer deferential to public authority or to the professions. They will not put up with excuses or incompetence.

Second, Parliament has conferred new rights on the individual - rights in employment and rights not to be discriminated against on the grounds of sex, ethnic origin, or disability. These new rights have had a profound consequence for the way women and the ethnic minorities are treated. They will be equally significant for the treatment of the disabled.

Surely, this is something of which we should be proud. If new rights are conferred on the individual, we must expect them to be exercised.

The greatest problem lies with the public sector, especially some local councils and the police. That some public services are ineptly run is not the complainant's fault. It is deplorable that councils are so often found liable for racial and sexual discrimination and for unfair dismissal. The costs to local taxpayers are avoidable and unnecessary. They are a sign of bad management and poor claims-handling.

Next year, the European Convention on Human Rights will open up a new field of enforceable rights. With new rights will come new responsibilities. The challenge for the judiciary and the profession will be to maintain a sensible balance. Of course, the lawyers will be blamed for presenting "unmerited" claims, but ultimately we are but a reflection of the society in which we all live.

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ROOF-TEK

ERATOSTHENES OF Cyrene was chief librarian of the famous library at Alexandria, and a contemporary of Archimedes, from whom he acquired his knowledge of geometry. His eclectic interests included mapping and measuring things. The chance discovery that there was a well in Cyrene to the bottom of which the sun's light penetrated on the summer solstice enabled him to calculate the circumference of the earth, by measuring the angle of the shadow of a stick set up in Alexandria on the same day. His estimation was remarkably close to the modern figure, and Kitty Ferguson calls him the father of "geodesy": the science of earth measurement.

Another prominent figure in the intellectual hothouse of third-century BC Alexandria was Aristarchus of Samos.

who published a book of hypotheses that included the "inspired guess" that the earth rotates around the Sun. This wild surmise was flatly contradicted by all observational evidence, and for a further 1,700 years the Earth-centred system of astronomy, most fully formulated by Ptolemy in the second century AD, held sway.

In the black-and-white world of the school textbook, the Ptolemaic system is plain wrong. But Ferguson points out that all motion is relative, and that it is perfectly possible to construct a mathematically coherent model of the universe with, say, your cat at its centre. It merely makes the suns more convoluted.

The Ptolemaic system was highly successful at predicting the movement of heavenly bodies, and until the 16th century was the foundation not just of an educated person's idea of the physical world, but of the human condition. Dante's *Divine Comedy* is the greatest expression of this world view. The young Galileo, it is intriguing to learn, made something of a name for himself by giving public lectures on the shape, size and location of Dante's hell.

The phrase "Copernican revolution" can sound tired, but Ferguson restores a full sense of the seismic change Copernicus engendered: "No period in the evolution of thought about the universe and humankind's place in it has been more complicated or more ultimately decisive than the century and a half following the publication of *De Revolutionibus* in 1543."

She is equally good at teasing out the story of Galileo's advocacy of Copernicus, and his trial for heresy. The Catholic Church was not initially greatly bothered by the idea (indeed, it had made use of Copernicus's calculations when producing the new Gregorian calendar in 1582), and Pope

Urban VIII was a friend who almost certainly knew that Galileo was right. The reasons behind the trial remain mysterious, but one thing is sure. Galileo did not help his own cause by deploying the pitiful defence strategy of claiming his *Dialogo* had been misinterpreted and was really pro-Ptolemy. The trial has an iconic status in the history of scientism, and Ferguson makes the sensible observation that the worst they did to him was to hold him under house arrest in his own villa. Stalin's brutal purge of physicists who advocated the Big Bang model of the universe with, say, your cat at its centre, it merely makes the suns more convoluted.

John Gribbin covers a good deal of the same ground as Ferguson, but in a relatively lacklustre manner. Galileo's trial is covered with a single sentence that sneers vaguely at the Church. Other familiar scientific whipping-boys are paraded, notably Archbishop James Ussher, whose scriptural studies dated the Creation to 4004 BC. In his elegant essay "Fall in the House of Ussher", Stephen Jay Gould observes that Ussher has become "a symbol of ancient and benighted authoritarianism" and that "one can scarcely find a textbook in introductory geology that does not take a swipe at Ussher's date". Gould, like Ferguson, is capable of imagining how the world looked before we discovered certain things about it.

The latter part of *The Birth of*

WEDNESDAY POEM

WHY I SKIP MY HIGH SCHOOL REUNIONS
BY CRAIG ARNOLD

Because the geeks and jocks were set in stone,
I ground between. Because the girls I ate
lunch with are married now, most out of spite
- because the ones I spurned are still alone.
Because I took up smoking at nineteen, late,
and just now quit - because, since then, I've grown,
into and out of something they've never known.
Because at the play, backstage, on opening night
she conjured out of the vast yards of her dress
an avocado and a razor blade,
slit the one open with the other, flayed
the pebbled skin, and offered me a slice
- because I thought that one day I'd say yes,
and I was wrong, and I am still afraid.

From Craig Arnold's "Shells", published by Yale University Press (£7.50) in the Yale Younger Poets series

JAMES ROGERS

IND21/04/99

Willi Stoph

WILLI STOPH was one of the architects of the German Democratic Republic (GDR) which was proclaimed in the Soviet Zone of Germany on 7 October 1949 and dissolved on 3 October 1990 when German unity was achieved. He twice served as Chairman of the Council of Ministers (head of government). Of the Communist leaders deposed in the GDR in October/November 1989 Stoph was the longest-serving member of the ruling Politburo of the Socialist Unity Party (SED). He had uninterrupted membership from 1953 onwards.

He was born in Berlin in 1914 and grew up in a working-class milieu. After completing elementary school he took up an apprenticeship in the building industry. He had other interests. In 1928 he joined the youth movement of the Communist Party of Germany (KPD) and in 1931 enrolled in the KPD. He later claimed he had carried on "anti-fascist activities" after the rise of Hitler in 1933. From 1935 to 1937 he completed his compulsory national service in the artillery. He served in the wartime Wehrmacht with the rank of corporal until he was wounded in 1942.

After the fall of Nazism he was appointed to various leading positions in the building industry of the Soviet Zone. In these capacities he worked closely with officers of the Soviet Military Administration whose trust he gained. He also climbed the ladder of the SED serving 1948-1950 as head of the party's economic policy department. He was then appointed one of the secretaries of the Central Committee of the SED.

As Minister of Interior from May 1952 to June 1955 Stoph was responsible for the GDR's police and penal institutions including the notorious Bautzen, Berlin-Rummelsburg and Waldheim prisons where many

political prisoners were held in very poor conditions. More importantly for his future, he was also responsible for the creation of the GDR armed forces, which were officially disguised as the People's Police in Barracks (KVP). The poor showing of the KVP during the workers' revolt of June 1953 did not appear to damage his career.

At the same time he was in

the highest rank in the GDR, and he attempted to build up professional armed services made up of volunteers with high morale. Western observers often regarded them as more imposing than their Soviet "brothers in arms". In May 1958 the GDR armed forces (NVA) were admitted to membership of the Warsaw Pact thus recognising their military efficiency.

However, despite the perks and privileges granted to serving and former members of the NVA, recruitment became an increasing problem. Compulsory military service, introduced in West Germany in 1956, was not regarded as practical as it was feared that many young men would evade service by fleeing to the West via Berlin. The building of the Wall in August 1961 removed this option and compulsory service was introduced in the following year.

By that time Stoph had moved up as deputy head of government increasingly taking over the work of the ailing premier, Otto Grotewohl.

Between 1962 and 1964 Stoph served

as First Deputy Chairman of the Council of Ministers and between 1964 and 1973 as Chairman, that is head of government. As such he played a major role in the 1960s in attempts to make the GDR's economy more efficient. He was second only to Walter Ulbricht, First Secretary of the ruling Socialist Unity Party, in the GDR's hierarchy. He owed his position to his dedication and loyalty to the Soviet Union and to Walter Ulbricht personally.

In 1970 Stoph was sent by Ulbricht to meet Willy Brandt, the West German Chancellor, at Erfurt (GDR) and later at Kassel in West Germany. At Erfurt Stoph was shocked and dismayed when a crowd of ordinary East Germans gathered outside Brandt's hotel and called for

the West German leader. These two meetings were the beginning of the improvement in relations between the two German states which led, 20 years later, to the re-establishment of German unity.

Stoph's advancement under Ulbricht did not stop him from taking part in the palace coup against the First Secretary in 1971 when Erich Honecker replaced Ulbricht.

Ulbricht was allowed to retain the position of titular head of state and, after the death of Ulbricht in 1973, Stoph was removed from his powerful position as head of government to the representative position

which Ulbricht had occupied. As the GDR's economic situation worsened Stoph was reinstated as Chairman of the Council of Ministers in 1976, a position he retained until 1989.

Although officially second only to Honecker, Stoph was not one of Honecker's cronies and he was ready to join in his overthrow in October 1989. Stoph himself was ousted on 7 November 1989 when his entire government resigned. Two days later the Berlin Wall was removed. On 17 November he was removed from the Council of State and from the Volkskammer (parliament) to which

he had belonged since 1950. His expulsion from the SED followed on 3 December and his arrest days later.

Along with most of his colleagues, he was charged with corruption and misuse of office. He was released on grounds of ill-health in February 1990. He was re-arrested in May 1991 and charged with co-responsibility, as member of the Politburo and the GDR Defence Council, for the deaths on the Berlin Wall. Once again he was released because of his poor medical condition.

As head of government rather than head of the SED, Willi Stoph's image was slightly better than that

of Erich Honecker. Yet he remained a grey, nondescript figure whose main talent was to survive.

DAVID CHILDS

Willi Stoph, politician; born Berlin 9 July 1914; Head, Economic Policy Department, Socialist Unity Party (SED) 1948-1950, Minister of Interior 1952-55, Minister for National Defence 1956-60; First Deputy Chairman, Council of Ministers 1962-64, Chairman 1964-1973, 1976-89; Chairman, Council of State (head of state) 1973-76; married (four children); died Berlin 13 April 1999.



Stoph (right) with Willy Brandt, then Chancellor of West Germany, at a meeting in Erfurt in the GDR, 1970 AKG London



Durie of Durie was commissioned into the Argyll and Sutherland Highlanders in 1925

Lt-Col Raymond Durie of Durie

AT DAWN on 8 December 1941, the day after the Japanese raid on Pearl Harbor, Captain Raymond Dewar-Durie (later to be Durie of Durie), a liaison officer in the Consulate in Shanghai, woke to the sound of Japanese gun fire. He immediately set about burning secret documents and then, with his commanding officer, Major Sidney Hunt, had breakfast at the American Club. After he had finished he went to his flat to pick up some of his belongings. While he was packing Japanese troops arrived.

The Chinese lift-boy and the Russian concierge took their lives in their hands and denied that he was on the premises. With Hunt, Dewar-Durie then went into hiding in a variety of strange places, looked after by Chinese friends for nine days. Posters everywhere offered a substantial reward for information on British and American officers, making escape imperative.

After several false starts they were smuggled in the boot of a car surrounded by furs, lying head to toe with the dicky seat on top of them.

The car belonged to a Chinese general who enjoyed smuggling furs as a side line. He had bribed the Japanese colonel to ride in his car to see past the border guards. After it had passed through two sentry posts uncheck and the colonel was

dropped off, the two men were released - much to their relief. They spent their first night being pecked by the inhabitants of a hen-house.

Still in Japanese-occupied territory and often uncertain of the allegiance of their guides, for the next fortnight they lived precariously, on one occasion hiding in a sampan loaded with pigs. "The sampan relieved our feet, but was very hard on one's stern end," Dewar-Durie was to recall. It was to take 51 perilous days to reach the safety of free China. The final few days were spent anxiously with three American journalists as they waited at Lake Tai for a junk to take them to freedom.

Dewar-Durie and Hunt trans

mitted messages to the War Office

as to their position. Unbeknown to them they had both been reported "missing believed dead".

Dewar-Durie had earlier received orders to

rejoin his regiment but they ar

rived after the only available ship had sailed. The next sailing was 9 December. While he was hiding, those who made it to the ship in the hope of freedom were taken prisoner.

Raymond Dewar-Durie was born in 1905 in Persia, where his father, Robert, was the manager of the Imperial Bank and by 1916 had become involved in British and Russian in

intelligence as well as receiving a Mil

itary Cross while on a temporary

commission in the British Army. Raymond saw little of him as a child; he was sent back to England aged five, first to a dame school before prep school in Hampshire and then on to Blundells. A good all-round sportsman with a natural eye for a ball, he later had a trial for Harlequins and played cricket for the Free Foresters.

After Sandhurst he was com

missioned in 1925 into the Argyll and Sutherland Highlanders, who were based on the Isle of Wight. He went to China in 1929 as a platoon commander of the Legation Guard and two years later was involved in anti-piracy duty on Chinese passenger ships.

He was to remain in China in a number of posts until 1935. He studied Mandarin during this time and whenever possible worked on a Chinese/English military dictionary.

In 1940 he was appointed Assis

tant Military Liaison Officer to the

Consulate General in Shanghai

where he was responsible for re

recruiting and dispatching all volun

teers in China for British forces.

His revised dictionary was published in

1942. At the end of the war he was

posted to Germany to deal with

POWs and displaced persons.

Back in China in 1949 as Assis

tant Military Attaché to the British

Embassy in Nanking, accredited to

the Nationalist government of Chiang

Kai-shek, he played a vital part in the HMS *Amethyst* "incident". On 19 April, while sailing up the River

Yangtze to Nanking with supplies, the ship was fired on by Communist

artillery and 17 of the crew were killed including the doctor and sick berth attendant; the captain, along with many others, was seriously wounded.

Acting as the interpreter to the

Assistant Naval Attaché, Lt-Cdr

John Kerans, who was to take com

mand of *Amethyst*, and accompanied

by a heavy medical chest in a

wheelbarrow, Dewar-Durie made a

hazardous journey along the banks of

the Yangtze. Close to the ship they

stumbled upon 50 or more wounded

and sick berth attendant; the captain,

along with many others, was seriously wounded.

Although there was never any

doubt that Raymond Dewar-Durie

was head of the Durie family which

had settled in Fife since the 16th cen

tury, he did not change his name

until 1938, when he followed up the

Lord Lyon King of Arms' direction,

first made to his father, to claim Chief

of the Name and Arms of Durie and

became Durie of Durie. He was a

modest and self-effacing man who

enjoyed a very happy marriage of

over 60 years and delighted in his

family. As a 90th birthday present he

was given a helicopter flight from

Pewsey, which passed over the Isle

of Wight, where he had first joined

his regiment in 1925.

MAX ARTHUR

Raymond Varley Dewar-Durie, soldier; born Isfahan, Persia 10 August 1905; recognised as Durie of Durie 1938; married 1932 Joan Dolby (died 1933; one daughter); 1934 Frances Maule (one son, one daughter); died Pewsey, Wiltshire 29 March 1999.

Lord Cayzer

LORD CAYZER was an aristocratic businessman of the old school, a tall, distinguished sportsman who proved to be immensely shrewd at business, noted for his flair, his excellent timing and taking the long view. As a result he left a fortune certainly well above the official estimate of £285m.

Throughout his life he was a notable spokesman for the shipping industry, although he sensibly shifted much of the family money out of shipping in the 1960s and 1970s. Cayzer's grandfather Charles Cayzer founded the Clan Line, owners of what became a 100-strong fleet of ships, most of them tramp steamers sailing round the Cape of Good Hope to India and the Far East. Cayzer's father August was created a baronet in 1904.

Nicholas Cayzer - or Sir Nicholas Cayzer as he was known from the age of 10 in 1921 until he was given a life peerage in 1962 - naturally went to Eton and Cambridge. Equally naturally he started work for the family shipping line in 1931 when he was only 21, becoming a director seven years later. So far so orthodox. But in the 60 years until he finally retired as chairman of the family holding company - by then called Caledonia Investments - he had successfully weathered the transformation of the family business from shipping to a diversified industrial group. (He

remained president of the family business until he died).

In the early part of the Second World War Cayzer served in the Army but was soon deploying his managerial talents in organising convoys. After the war his first major coup came in 1955 when, as vice-chairman of the Clan Line, he master-minded Clan's take-over of the Union Castle Line, best known for its fleet of speedy mail liners running between Southampton and Cape Town, thus creating a group, British & Commonwealth Shipping, with 100 vessels. His success was the greater because his unsuccessful rival was Harley Drayton, at the time one of the most feared of City financiers.

After taking over the chairman-ship of B & C on the death of his uncle Lord Rotherwick in 1958, Cayzer led the family's retreat from shipping, putting the family fleet into a notably successful joint venture, Overseas Containers, and investing in a number of unrelated businesses. These included British United Airways, a successful independent airline, the private Wellington Hospital in St John's Wood and Gartmore, an investment management firm named after a family estate in Perthshire.

But Cayzer's biggest coup came

with the growth of a series of broking and investment businesses within British & Commonwealth B & C was run by the entrepreneurial John

Gunn whose daring business tactics ran against the caution habitually practised by the Cayzer family. Luckily (or cleverly?) the Cayzers decided to sell out of a group which they no longer controlled and did so, receiving £428m for their stake, which represented four-fifths of the family's assets. Their sale was superbly timed, coming only three days before the stockmarket crash of October 1987 and only a short time before the virtual collapse of B & C. Typically: Cayzer bought back control of Exco, the money brokers which had been the foundation of B & C's financial portfolio, for a mere £20m five years after the collapse.

Despite the family's shift away from shipping Cayzer retained an interest in the industry, especially in Liverpool - the home port for the family fleet where he was chairman of the Steamship Owners' Association. He also acted as president of the British Chamber of Shipping and the General Council of British Shipping, and when he was elevated to the peerage by Margaret Thatcher in 1982 he took the title Lord Cayzer of St Mary Axe - the street in the City of London most closely associated with the shipping industry.

The elevation was in recognition

of his steadfast support for the Tory Party. He had been chairman of the local Conservative Association in Chester, a town where his uncle had

been MP before the war. More importantly he was a generous donor to the party and a fund-raiser through a mysterious body called British United Industrialists.

NICHOLAS FAITH
William Nicholas Cayzer, ship owner and businessman; born 21 January 1910; died 1992; created 1955 Baron Cayzer; married 1935 Elizabeth Williams (died 1995; two daughters); died 16 April 1999.

Peppermint Harris was best known for his 1951 No 1 rhythm and blues hit "I Got Loaded" (covered by everyone from Elvis Costello to Los Lobos and Terry Evans, on whose 1996 recording of the tune Ry Cooder played some excellent guitar). However, Harris was not a major player.

Dame Kathleen Raven

"THIS FUNNY old thing" was how Dick Crossman described Kathleen Raven, when he was Secretary of State and she was Chief Nursing Officer at the Department of Health and Social Security in the 1960s, "with her golden hair and her blue eyes and her pink-and-white cheeks, this typical ex-matron".

Raven was in fact a very effective nurse at the ministry and elsewhere, although she could be difficult to work with and for. She saw to it that the voice of nursing was clearly heard. Building on the foundations laid by her predecessor, Dame Elizabeth Cockayne, she freed the nursing division from the medical, securing access to the minister through the permanent secretary for the chief nursing officer. Despite Crossman's description of her in his diaries, he seems to have had respect for her because, she considered, he felt she knew what she was talking about. She put forward the idea of the Briggs committee on the future of nursing when Asa Briggs gave her a lift one evening in the ministerial car.

She was a sound practical nurse as well as a nurse manager and a determined high flyer. While below average in height there was nothing of the "little woman" about her. She had authority and dignity, and always a trim appearance. Before becoming a nurse she enjoyed being a secretary in a firm of accountants. In retirement she had a strong influence on hospitals and nursing in the Middle East.

Kathleen Raven was born in Coniston in the Lake District in 1910. Her father was the director of a slate quarry, her mother came from the Mason family of ironstone ware manufacturers. She was brought up in a Plymouth Brethren household where her parents read a chapter of the Bible every night and were, as she said, "good Christian people". Being the only girl among three brothers may have made her the tomboy who climbed mountains, skated, fished and rowed. She had a lifelong close relationship with her elder brother Ronald, who became a surgeon.

Visiting her brother when he was a medical student at St Bartholomew's Hospital in London, she decided to become a nurse and started her training there in 1933. She was 23. Nursing had not been her first career choice. On leaving Ulverston Grammar School she took a secretarial course and one in conversational French, and went to the School of Art at Barrow in Furness. She had been brought up in the atmosphere of the Lakeland painters; one grandmother was a friend of John Ruskin.

Coming from a big house where there was a busy social life it was a shock

to Raven to find patients who did not want to go home because their homes were so miserable and – when doing her midwifery training in London – to see what poverty meant. She became a sister at Barts at a time when sisters slept and lived in rooms off their wards and she rose to be assistant matron.

In 1949 she moved on to be matron of Leeds General Infirmary. Faced with a shortage of nurses she recruited from what were still "the colonies" as well as encouraging Yorkshire girls to take up nursing. Always a keen traveller, she came back from a tour of American and Canadian hospitals in 1953 with the idea of "beau parours". She opened two of these at Leeds – "comfortable little rooms where a nurse may entertain her men friends".

Professionals from overseas also came to her for ideas. She established a rapport with the midwife to the Thai royal family who visited Leeds. But some of her own staff felt that she did not know her nurses as a manager should, and an assistant matron who was to become general secretary of the Royal College of Nursing, Dame Katherine Mary Hall, was indignant when the matron was over an hour late for a student nurse and her mother's appointment.

From Leeds Raven moved to the Ministry of Health, to be first Deputy, then Chief Nursing Officer. She married late, although she had twice been engaged

She opened two 'beau parlours' in Leeds – 'comfortable little rooms where a nurse may entertain her men friends'

earlier. She met John Thornton Ingram, a hospital consultant and a widower, while she was matron at Leeds and they married when she was CNO and he Professor of Dermatology at Durham University. Having a husband and a brother who were prominent doctors facilitated her relations with the profession which she was determined to make independent from.

On leaving government service Raven became chief nursing adviser to the Allied Medical Group, which involved her with hospitals in Iran, Saudi Arabia and Egypt. She was awarded the fellowship of the Royal College of Nursing



Raven arriving at the Ministry of Health to take up the post of Chief Nursing Officer. 1953

Hulton Getty

in 1936 "for advocacy of developments in nursing management and education". In 1955 she endowed a professorship of clinical nursing studies at Leeds University. "I wanted to make a meaningful and lasting contribution to nurse education in a way that restored the practical and caring skills which, sadly, patients do not always enjoy today," she explained. She was also a member of the Central Area Advisory Board for Secondary Education while matron at Leeds, a foundation governor of Aylesbury Grammar School, and in 1992 became vice-president and member of the council of Epsom College, the "doctors'

school" of which her brother Ronald was an old boy. She had been due to open a girls' day house named after her this September.

LAURENCE DOPSON

Kathleen Annie Raven, nurse; born Coniston, Westmorland 9 November 1910; Matron, General Infirmary, Leeds 1949-57; Deputy Chief Nursing Officer, Ministry of Health 1957-58; Chief Nursing Officer, Department of Health and Social Security 1958-72; DBE 1968; FRCN 1968; married 1959 Professor John Thornton Ingram (died 1972); died Oxford 19 April 1999.

BIRTHS

ANDERSON: To Thomas and Samantha, on 14 April, in Oxford, a daughter.

DEATHS

COBBAN: James Macdonald, Kt, CBE, TD, DL, MA, JP on 19 April at Tyndale Nursing Home aged 88. Cremation private. Service of interment at Trent Church, near Yeovil, on Monday, 26 April at 3.30pm for family and local friends. There will be a memorial service later in Abingdon. Donations instead of flowers, in aid of St Helen's Church, Abingdon and all correspondence to be sent c/o David Rettett, Funeral Director, 30 Lyde Road, Yeovil, Somerset BA1 5AL, telephone 01963 438737.

DIMITRIADIS: Alexander George, died peacefully at home on Sunday 18 April, aged 43. Dearest husband of Sally, darling daddy of Sophie and Anna, beloved second son of Christina and brother of Dimitri. Will be greatly missed. Funeral will take place at Tudor Chapel, 27 April at 1.30pm at St Sophia's, Moscow Road, London W2. Family flowers only, donations if desired payable to Imperial Cancer Research, c/o F.W. Paine, Molesey, 0181-973 5343.

MINCHIN: Leslie Thomas, aged 92 years. Peacefully in hospital

BIRTHS, MARRIAGES & DEATHS

on 17 April. Chairman of the London Lieder Group. Funeral at Golders Green Crematorium on Tuesday 27 April at 1.30pm. No flowers but donations if desired to World Wildlife Fund or Prison Reform Trust, c/o Leverton and Sons, 181 Haverstock Hill, Hampstead NW3 4QS.

MULLIN: Mary Anne Stephenson, died peacefully in her sleep, after a brief illness, at Hinchingbrooke Hospital on 16 April 1999. Funeral on Monday 26 April at 2pm at Hinchingbrooke Church, 11.15am. No flowers please, but Mary would have liked any donations to go to the Wildlife Trust, 3B Langsord Arch, London Road, Sawston, Cambridgeshire CB2 4EE (please mark cheques "Ridley Wood, Wood Walton" on back).

NETHERCOT: Gerald, aged 89. Passed peacefully 16 April. Nottingham Leonard Cheshire Foundation, Bings, http://www.bings.org/General/Nethercot. Contact daughter: 0181-9723.

For Gazette, telephone 0171-293 2012 or fax to 0171-293 2010.

BIRTHDAYS

The Queen, 73; Professor Gerald Benney, goldsmith and silversmith, 69; Mr Ian Bruce, Director, Royal National Naval Institute for the Blind, 54; Sir George Burton, former chairman, Fisons, 83; Mr George Edgar, ambassador to Cambodia, 39; Mr Laurence Ellis, former Rektor, Edinburgh University, 67; Mrs Cheryll Gillan MP, 47; Air Marshal Sir John Hunter-Todd, 82; Mr Bernard Latham, actor, 48; Mr John McCabe, composer and pianist, 60; Dr Halldor Marbler, Emeritus Director-General, World Health Organisation, 76; Mr Alasdair Morgan MP, 54; Miss Angela Morley (Barrett), tennis player, 67; Mr John Mortimer QC, writer and playwright, 76; Sir Geoffrey Palmer, former prime minister of New Zealand, 57; Mr Anthony Quinn, actor, 84; The Right Rev Donald Snelgrove, former Bishop Suffragan of Hull, 74; Maj-Gen Sir John Swinton, Lord Lieutenant of Berwickshire, 74.

ANNIVERSARIES

Births: Jan van Riebeek, naval surgeon and founder of Cape

CHESS

JON SPEELMAN

MICHAEL ADAMS completed one of the greatest triumphs of his career on Saturday from the sidelines, as Vladimir Kramnik only failed to beat Veselin Topalov in the last round of the Dos Hermanas tournament near Seville and so catch Adams, but even went some way towards losing.

This extraordinary situation arose because the Fide world champion Anatoly Karpov, who, due to a no doubt immensely important simultaneous display in France, had arranged to play his last-round game in this, at an average of 2,998 the 10th-highest-rated tournament of all time, in advance on the last rest day – potentially disadvantaging not only himself but also his opponent, who was Michael Adams.

Still, all's well that ends well and many congratulations to Michael, who sailed through unbeaten with three wins and six draws for a final score of 6½, ahead of Kramnik 5.5, Topalov and Illescas 5, Gelfand and Karpov 4.5, Korchnoi 4 and Judit Polgar. Svidler and Judit Polgar. Svidler and (amazingly) Anand on 3.5.

Adams's admirably smooth play steered him clear of almost all danger except possibly in this chaotic game – his third win. In the opening 18 Qb3 was an attempted improvement over 18 a4 which Anand had tried against Adams in round two without great success.

Taking a second pawn with 19 Rxd5?! cxd5 20 Qxd5 Rb8 would be very risky. 24 Re6! instead. Adams's unclear piece sacrifice, If 25 Rxf6 Bxf6 26 Rxd5 Rae8 27 Ne4 Bf3 28 Qh2 Qxf2+ 29 Kxh2 Rf5 30 Bxf3 Rxf3 31 Kgs8 looks fine for Black but 27 Ne3 may be an improvement when if 27... Ne5 28 Nxe5 Rxe5 29 Qh2! or 27... Re2 28 Bxf2 29 Kf1!! (not 29 Qxf2? Qg4+ 30 Kf1 Rxf2+ 31 Kxf2 Qg3+ winding 29... Rf8e3 30 Re1 Nh1 31 Rxe2 Ng3+ 32 Qxg3 fxe3 33 Rxe3+ Qxe8 34 Kg2 White should win.

36 Qd1? was the crucial error. Instead after 36 Kg1! Black can force a draw with 36... Ne3+ 37 Kxh2 Nh2+ 38 Kf2 Qh4+ 39 Ke3 Qf1+ 40 Nd2 Qg6+ 41 Kd4 Qe5+ 42 Ke5 Ng4+ 43 Kd4 Qh4+ 44 Rg6+ Kh7 45 Rxf4 f2 0-1

ROYAL ENGAGEMENTS

The Prince Royal, Prince George – The National Guard and Royal Association – visit their head office at Clifton Terrace, London 4, as Patron. The Prince attends a Rehearsal Ballroom, 10th April, and the Order of St John attends a Charity Concert held by the Polish Association of the Order of Malta at the Polish Embassy, London. The Trustee of Gloucester, Prince Richard, and the Life Support System attend the Third International Nursing Conference "Bringing the World", at Harrogate International Centre, Harrogate.

CHANGING OF THE GUARD

The Household Cavalry Mounted Regiment mount the Queen's Life Guard at Horse Guards, 11am. 1st Battalion Coldstream Guards, 11am. 1st Battalion Royal Horse Guards, 11.30am. Guard provided by the Welsh Guards.

LECTURES

Victoria and Albert Museum: Nancy Osborn, "Men's Dress Cut and Construction 1730-1830", 7pm. British Museum: Rowena Loverance, "The Reformation and Popular Piety", 11.30am. Wallace Collection, London W1: David Edge, "Arms and Armour", 1pm.

BRIDGE

ALAN HIRON

ONE DEFENDER false-carded on this deal; the other should have done so as well, but declarer still managed to mis-judge the situation.

South opened 1 no-trumps (13-15 points) and North raised directly to game. West led 7 3 against 3 no-trumps (1 My hearts were better than my spades!), although most players prefer to lead the second highest from a suit not headed by an honour, and South won East's queen with his ace. There was no rush to test the diamonds, so declarer started with a low club to the seven, ten and ace. East might have cost the defenders a trick by returning a heart, if, say, West had led from 10 8 5 3 so he exited passively with a spade which declarer won on the table.

South came to hand with ♠K and led a second club to which West followed with the nine, only the king and jack were outstanding. The suit was more likely to break 3-2 than 4-1 and, even if West had played the nine from a remaining holding of ♠K J 9, he might fail to clear the hearts and then South would still have time to develop a club trick.

Love all; dealer South North ♠K Q J ♣J 4 ♣A 8 3 ♣Q 10 4 2 West ♠7 4 2 ♠10 8 6 3 ♠7 5 3 ♠10 7 4 ♠9 5 ♠J 7 ♠A K

South ♠A J 5 ♠A 10 8 ♠K Q 2 ♠8 6 5 3

Now there was no way for South to come to a ninth trick. Declarer had not taken advantage of West's culpable failure to play ♠J (the card that he was now known to hold) on the second round of the suit. When West had followed with the nine, only the king and jack were outstanding. The suit was more likely to break 3-2 than 4-1 and, even if West had played the nine from a remaining holding of ♠K J 9, he might fail to clear the hearts and then South would still have time to develop a club trick.

The judge had relied, in con-

struing section (V)3, on the terms of section (L)8 of the programme which provided: "The Appeal Committee's decision shall be the full, final and complete disposition of the appeal and will be binding on all parties." Charles Flint QC and Paul Goulding (Bird & Bird) for the plaintiff; Michael Driscoll QC and Christopher Slonter (Boulneys) for the ITF.

Lord Justice Clarke said that the judge's construction of section (V)3 gave too narrow a meaning to its language, which was in wide terms. The section provided for the submission to the Appeals Arbitration Division of the CAS of any dispute arising out of any decision of the appeals committee and, as a matter of ordinary language, the dispute in the instant case plainly arose out of the appeal committee's decision. Applying the decision in *Horbury Assurance Co Ltd v Kansa General International Assurance Co Ltd* [1993] 3 All ER 897, if the ordinary meaning of the language of section (V)3 were to be narrowed, the justification for so doing had to be found elsewhere in the programme, or in the programme as a whole. The judge had relied on section (L)8 as precluding all other appeals, but section (L)8 did not expressly qualify section (V)3. The two sections could be read together on the basis that the appeal committee's decision was full, final and binding under section (L)8, subject to any reference to the Appeals Arbitration Division of the CAS under section (V)3.

KATE O'HANLON
Barrister

WORDS

CHRISTOPHER HAWTREE
nabe, n.

is some kind of down and dirty working-class nabe". This abbreviation – like the more recent hood – has never crossed the Atlantic.

SOCIOLOGICAL NOTES

JOHN HOOD-WILLIAMS

An end to 'vive la différence'

THE TERM "gender" does not merely describe differences between men and women. It is part of a project to produce them. The sociologist Ann Oakley introduced the term to a British audience over 23 years ago. She began her *Sex, Gender and Society* with the words, "Everyone knows that men and women are different". Within a decade gender had swept through the Anglo-Saxon world from the social sciences to the language of journalism and popular culture.

Put simply, gender meant the social and psychological characteristics of a woman or a man. Gender was built on the foundations of "sex" – those biological characteristics of men and women based upon differences in their reproductive roles. The key point was that gender was to be separated from sex. It was intended to be an explanation for the fact that, although women and men might always be identified by biology, at different historical moments and in different cultures their social characteristics varied – what they wore, how they behaved, their location within the division of labour, their sexuality and so on.

One history of gender sees its origins in the work of Margaret Mead, whose anthropological work was published in the 1930s. She memorably told us about ascriptive, practical, unadorned Tchamblu women and their sexuality. Gender did what all useful scientific concepts do: it provided a framework within which researchers could operate. What were the practices that operated against women and girls? How did they work? The result was a rich stream of writing that transformed academic and popular understanding. Gender changed the world. But recent studies have disturbed these ways of thinking. The first unsettling development for the sex-

gender distinction has come from social historians who tell us that sex is far from constant. The barbers-surgeons of the Renaissance performed their operations in theatres before an audience. Their anatomists observed cadavers on the slab and carefully drew them out, remarkably what they saw was not two sexes but one. Where we see

difference everywhere, from the cut of a jaw to the curve of an eyebrow, they saw similarity and variation around a one-sex model. They imagined the vagina as an interior penis, the uterus as scrotum and the ovaries as testicles. And it is important to understand that this model was not superseded simply by advances in our understanding of human bodies. In fact many subsequent medical discoveries, such as those in developmental embryology, fit very well into a one-sex model. Knowledge of the common form of the male and female foetus in the womb came at a time when everyone had given up looking for similarities and, like good gender theorists, looked only for difference.

So the mother who asks after the "gender" of her new-born baby is demonstrating that sex and性别 is a social practice with its own history. Sex is gender too. John Hood-Williams is a contributor to the *Sociological Review*'

Whose idea was that?

The Millennium Dome is to exhibit inventions that reflect man's greatness.
Wrong! It should contain things that reflect human nature. By Andrew Mueller

In keeping with all the things to which the Millennium Dome is a monument, part of the permanent exhibition is to be devoted to mankind's most enduring and useful inventions. This was probably inevitable, but is no less depressing for that. Humanity will never accurately be represented solely by things that signify success: to characterise the progress of humanity over the ages, the Dome should also be looking to celebrate our failures, misconceptions and blunders. They are what make us what we are.

When we utter that eternal, magnificient, affirming truth "I'm only human", either to ourselves or to others, it is not when we've just collected an Oscar, split the atom or run 70 yards through the Arsenal defence and beaten David Seaman with a rising drive into the root of the net.

These are the words we reserve for the moments when we realise that we didn't put film in the camera, as we contemplate the blackened wreckage of our chemistry sets from behind shattered spectacles, as our enraged team-mates pull us with fistfuls of mud after we've sliced an opponent's cross into our own goal.

If the Millennium Dome's curators refuse to acknowledge - let alone celebrate - such moments as these, they are guilty of no less a crime than betraying us to posterity. With that dreadful responsibility in mind, they may wish to consider the following inventions for inclusion:

The Spruce Goose



A grand emblem of man's vainglorious, age-old determination to give himself wings. The pride and joy of billionaire recluse Howard Hughes, this immense and ridiculous wooden-framed aircraft - some 75m long and possessing a 100m wingspan - began and ended its aviation log with a flight of 70 feet on 2 November 1947.

Today the most interesting thing about it remains the fact, despite its name, it wasn't made from spruce (few indeed are the clumsy ungainly birds whose name rhymes handily with birch).

Undeterred by the worldwide boots of derision that greeted this folly, Hughes went on to develop a customised cantilevered bra for the use of Jayne Mansfield, who never wore it, or him.

Sinclair C5
Undignified, inefficient, patently absurd, it's hard to see, with the clear-eyed perspective of hindsight, how it could possibly have seemed like a good idea at the time to anyone - the automotive equivalent of Sir James Goldsmith's political career.

Quadraphonics
This transparent early Seventies effort to prise open the walls of hi-fi bores and sundry audio gear train-spotters deservedly went the way of the eight-track cartridge, mostly because it was obvious that the whole thing was little more than a ghastly conspiracy to get us all to buy our record collections all over again. Though that didn't stop it working when they tried the same stunt with the compact disc.

Betamax video

The tapes were smaller, and we kept reading that the picture was better. Unfortunately, none of us could really tell the difference and all we knew was that the VHS section at the local Blockbuster was larger and noticeably less populated by people who looked like

they worked in television. Which were two impeccable reasons for beaving the poor Beta machine into the nearest skip and accepting the inevitable.

Dog Bomb
The field of human conflict has regularly yielded a bountiful harvest of idiocy, but the research boffins of the Soviet Union staked an unarguable claim on inanity with the dog bomb. The idea was as brutal as it was simple - stray dogs would be trained to associate food with the underside of tanks, and then loosed upon the battlefield with enormous armoured piercing mines strapped to their backs.

Regrettably, the geniuses responsible for this plan neglected to consider that the Russian tanks with which the dogs were trained looked rather different from the German Panthers they were supposed to attack. When eventually sent into battle, the high-explosive rounds turned for home, forced an entire Soviet division into retreat, and the plan was abandoned.

Milk Carton
Will one day be regarded in much the same way that trench warfare, *Noel's House Party* and Conservative governments are now - with a horrified incomprehension that people were ever willing to put up with such iniquity and humiliation? We can put men on the moon and grow ears on the backs of hairless mice - how hard can it be to make a receptacle for milk which allows its contents to be transferred into a coffee cup without going up your sleeve?

Over-the-shoulder keyboard
Didn't sound any different from a normal keyboard, but certainly looked a lot sillier. Was for some reason regarded as an essential item by Eighties pop groups.

When one considers the other things that Eighties

pop groups thought essential - big shirts, beauty spots, leather overcoats, mullet haircuts, cocaine and pretending to know who Baudrillard was - it's perhaps not surprising we see so little of the over-the-shoulder keyboard these days.

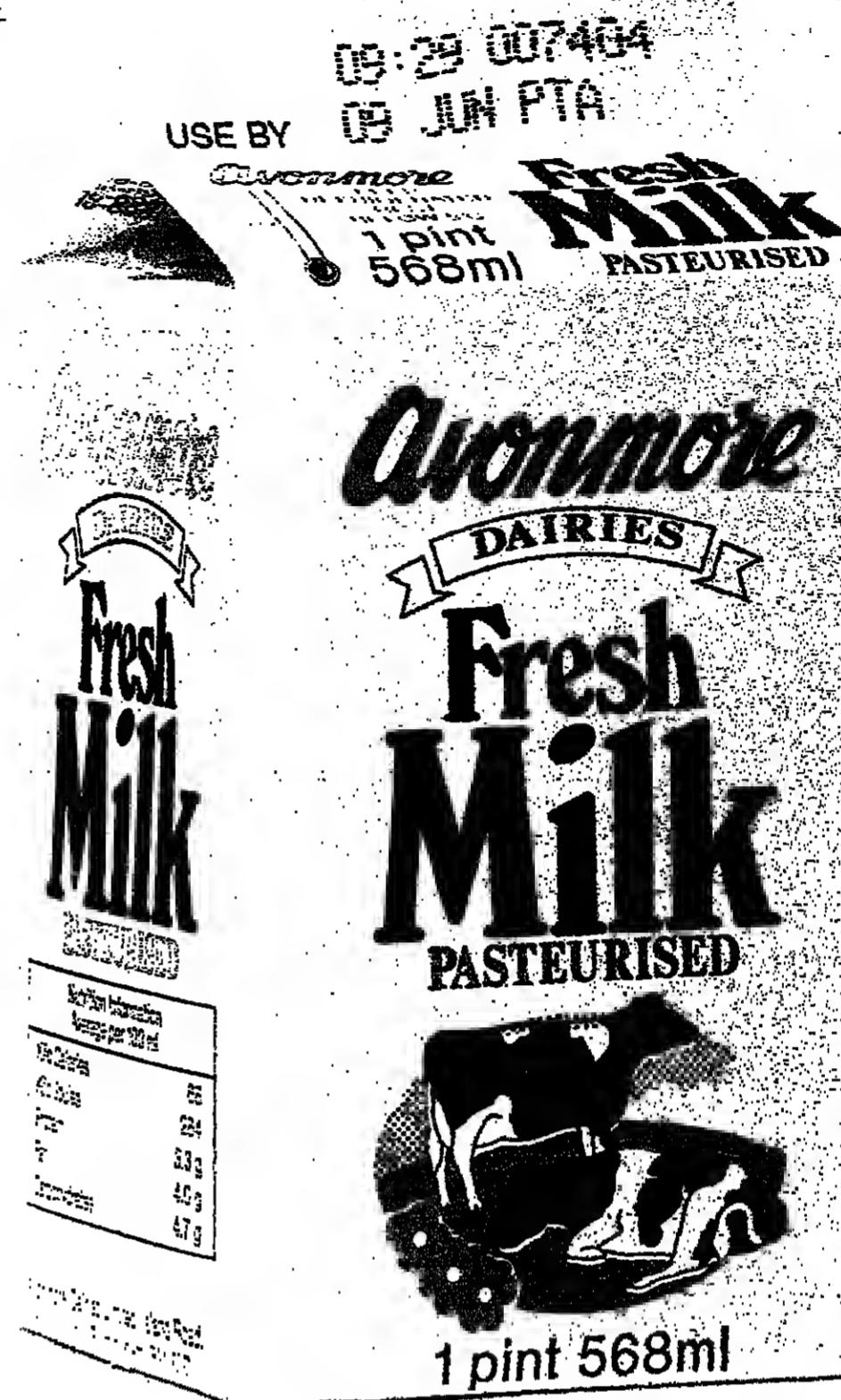


Video telephone
Had appeared through decades of science fiction as a harbinger of a technologically advanced age, yet when it started to become commercially available, absolutely nobody wanted it. In a rare fit of collective sanity, we realised that the principle joy of the telephone is that it frees us to talk to someone without their being able to see us yawning, watching television, pulling faces and picking our noses.

Decoy toilet flusher
A development - and possibly even a sign of the terminal decline into decadence - of the Japanese, a people as fastidious as they are restlessly inventive.

The device is a control box mounted upon the bowl of a toilet in a public restroom, which allows the occupant to manufacture artificial swirls and splashes to save other patrons of the convenience the distress of having to listen to any swirls and splashes they may be making themselves.

Synchronised Swimming
Nobody likes it. And people who say they do are lying.



You ask the questions

(Such as: Kenneth Clarke, how do you feel about being described by one of your colleagues as 'a podgy life-insurance salesman'?)

Kenneth Clarke was born in 1940, in Eastwood, Nottinghamshire. He began his working life as a barrister, becoming a QC in 1980. He became active in politics while at Cambridge University and was president of the Cambridge Union. In 1985 he joined the Cabinet as Paymaster General and Minister for Employment. Between 1987 and 1993 he was Secretary of State for Health, Secretary of State for Education and Science, and Home Secretary. From May 1993 until the general election in 1997 he was Chancellor of the Exchequer. He is MP for Rushcliffe, and is married with two children.

When did you decide to become a politician?
Claire Millar, Southend-on-Sea, Essex

I decided that I wanted to become an MP when I was quite a small boy in primary school. I have no idea, really, why I developed this early childish enthusiasm. I think it was because I was already an avid reader of the newspapers and I enjoyed following the political debate. I am afraid that I have long ago lost the scrapbook that I kept of the 1950 election.

You have a love of birds. If you could be a bird, which would you be and why?
Karl Havers, Guildford, Surrey

I am a very keen birdwatcher. For some peculiar reason, whenever I am asked to name my favourite bird I usually name the bar-tailed godwit. I would not remotely wish to share its life, standing knee-deep in frozen water for a high proportion of the time.

Aside from your political differences, what do you think of William Hague on a personal level?
Janet O'Neill, Ipswich, Suffolk

I have always had an excellent personal relationship with William



Chancellor of the Exchequer?

J M Mackay, Biggar, Lanarkshire

I must admit that I went along with the "devil's eyes" campaign, but regretted it eventually. There have been key political posters which have swung votes in the past - I particularly remember "Labour's not working" in 1979.

I think the advertising at the last election was a waste of millions of pounds by both parties. Ours became rather unpleasant and the Labour Party's was vapid and unmemorable.

I am rather tempted by the idea that there should be a cap on the amount spent by each political party on posters and hoardings.

Do you believe that the euro can be properly managed without accountable democratic control by a parliament scrutinising a central authority, such as our

Parliamentary Select Committee of the House of Commons. The European Central Bank has got to find some equivalent way of making itself accountable to the outside world, and I see no reason why members of the Central Bank Board should not explain themselves to members of the European Parliament or to members of national parliaments.

How long do you really think it will be before the Conservatives are elected to govern the country?

Simon Bishop, Tunbridge Wells, Kent

I think the Blair Government is an extremely shallow and lightweight administration and I see no reason why it should not be replaced at the next election. Whether the Conservative Party succeeds in being re-elected in 2002 will depend on our success in developing policies and attitudes towards the economy and the public services, and on presenting a credible and attractive impression to the public at large as a potential government.

Alan Clark described you as a "podgy life-insurance salesman". How do you feel about that?

Patricia McMillan, Isle of Wight

Alan actually described me as a "podgy life-insurance risk". It was probably one of the more accurate statements that he has ever made. I do not share Alan's hypochondria and fitness-freak enthusiasms!

Do you eat British beef and genetically modified food?

Charles Crombie, Alton, Hampshire

Yes, I think people are becoming ever more neurotic in their aversion to risk. I have seen no evidence to suggest that British beef or the GM foods already on sale pose any degree of risk which is out of line with the countless risks that we run every day in our modern lives.

I have taken part in motor racing in the past. If I am allowed to choose to do that, I cannot understand why I am not allowed by the Government to choose to eat a

NEXT WEEK

DAVID BAILEY, FOLLOWED BY JILLY COOPER



SEND QUESTIONS for the fashion photographer David Bailey and the novelist Jilly Cooper to: You Ask the Questions, Features, The Independent, 1 Canada Square, London E14 5DL (fax 0171-293 2182, or e-mail yourquestions@independent.co.uk), by 12 noon on Friday 23 April

A life less ordinary

Continued from page 1
asked if he wanted a cup of tea, he boldly replied 'obviously'."

By the spring of 1973 he was at the remote Murgwanza Hospital in Ngara. He worked from time to time in the operating theatre. According to Mandelson, there was a large cylinder of ether which, on occasion, he was asked to oversee, pumping every 15 seconds or so to keep the anaesthetic topped up. But he also had other things on his mind. In a four-page, single-spaced typewritten letter to Steve Howell he wrote that: "sometimes... I feel that I am retaining the force and commitment of my YCL-bred attitudes and beliefs but am just not having the opportunity to expound on them. And other times I feel that my revolutionary ardour is fading because I am a bourgeois at heart."

After a long disquisition on the rival claims of revolutionary socialism and Christianity he admitted that "being a sinful old non-conformist, it's more than a little hard to think of oneself as a Christian... at times I have felt that I am losing a socialist grip of myself... and then I wonder whether in fact I am just trying to close my eyes to a too-harsh and apparently insoluble reality and merely fall back into my cosy bourgeois existence and assured future... Don't let this frankness go beyond your eyes."

Even allowing for the pretensions of youth, and the fact that Mandelson was probably trying to announce and justify his disengagement from the YCL to Howell, his letters home from Tanzania call into question assumptions that his political drive was exclusively careerist in origin. His letters from Tanzania convey a sense of a young man wrestling with the choice between social democracy and its left-wing alternatives. And by confronting the dilemma earlier than many of those who are now his fellow-ministers, he may also have been helped to resolve it earlier, so that by the time he first became embroiled in party politics five years later he was in no doubt that he stood on the social democratic right of the party.

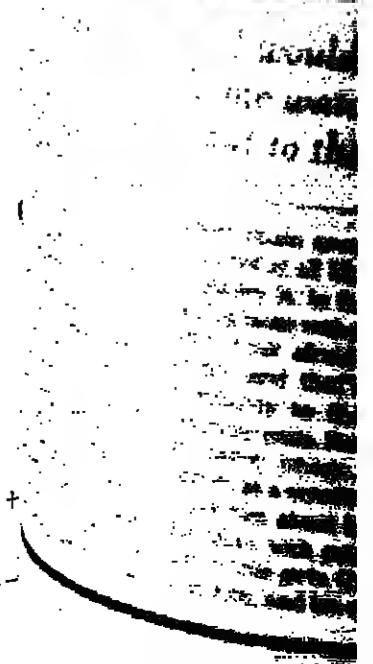
TOMORROW

THE KINNOCK YEARS

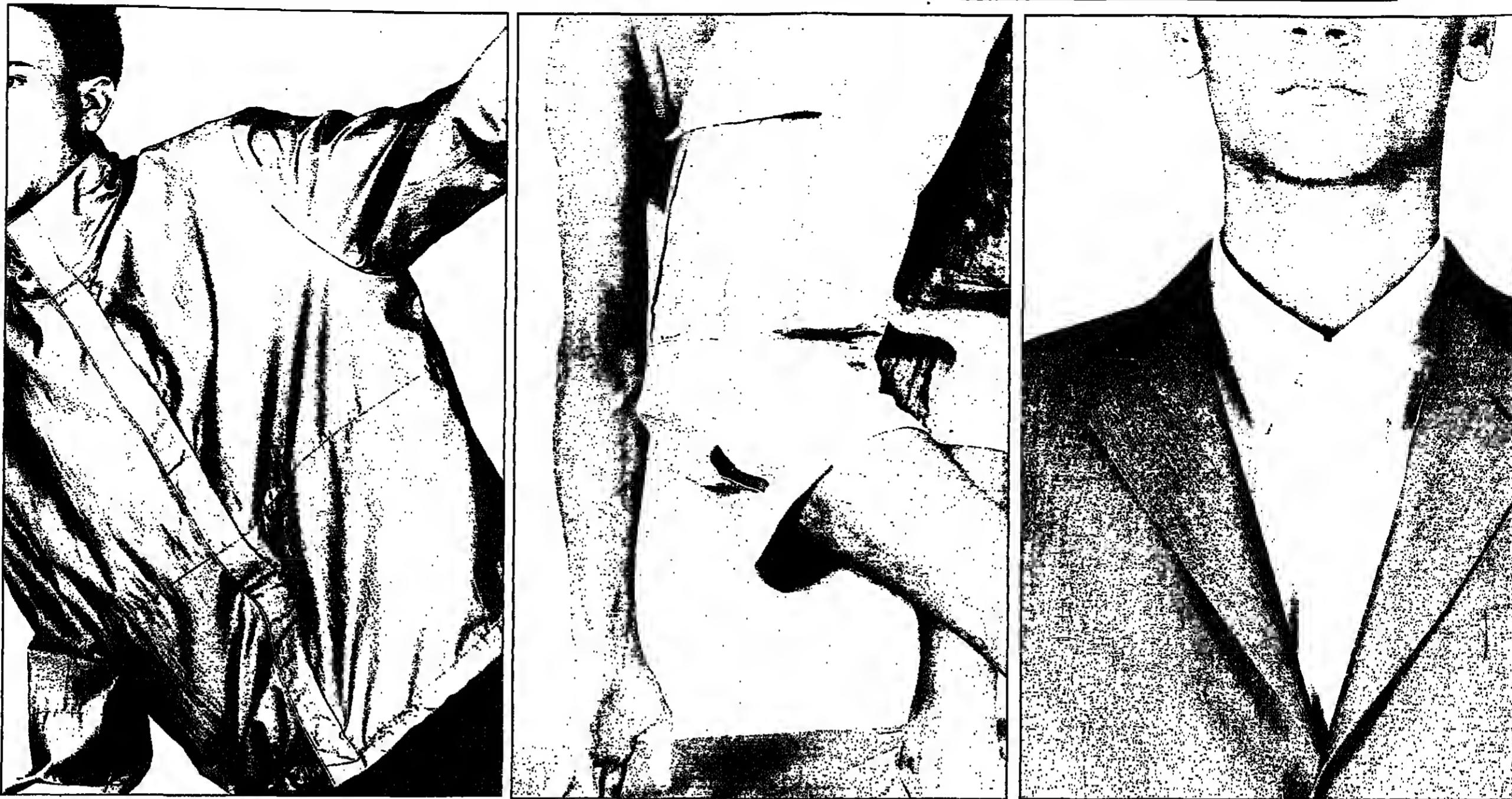
Mandelson, the Biography is published by HarperCollins at £19.99. Independent readers can buy it at the special price of £14.99 (inc p&p), by phoning 0870 902 2050 and quoting "Department 823".



Puzz
oon



Chris Bailey, the man who created Jigsaw Menswear, is doing away with this successful high-street name and launching a brand-new label in its place. Can he cut it with the boys about town? Undoubtedly, says Rebecca Lowthorpe



Above, left to right: Uth redefines the Jigsaw look; The Edge collection is a sporty, streetwise diffusion line; the Bailey line utilises luxury fabrics for limited edition pieces. Below: the serene Chris Bailey Kalpesh Lathigra

Puzzled? You'll soon work it out

Over the next six months you will notice the Jigsaw Menswear label steadily disappearing from a high street near you. Shop fronts, labels, bags and all other forms of the brand's identity will be scrubbed out. In its place will be Uth (pronounced "youth") and the tag line "It's a mind thing".

"I wanted to give the label its own strong international identity, by giving the image a more upmarket feel, but without making it any more expensive," says Chris Bailey, owner of the former Jigsaw Menswear.

Given that we're talking about a brand that has high-street clout, and has turned into a resounding success (with a £15m turnover for 1998), isn't it taking quite a risk to relaunch Jigsaw Menswear under a different label?

"We've got to convince our loyal customers that nothing has changed apart from the name, which is why we have set up the slow, teaser campaign with the Uth stickers taped over the Jigsaw logo," explains Chris Bailey.

Why should the man who is credited with changing the face of menswear on the British high street worry about shaking up the rules all over again? After all, it was Bailey who launched Jigsaw Menswear in 1994 when there was little choice between the bland Italian imitations at Mr Byrite and the expensive, real McCoy Italian designers such as Armani and Cerruti. It wasn't just the clothes that were fresh and exciting: the stores were young and hip, belting out up-tempo house music, while the advertising campaigns rammed the novelty message home with provocative images of young men with attitude, shot by internationally acclaimed and, more important still, "of-the-moment" photographers - David Sims, Juergen Teller and Terry Richardson.

Bailey saw the gap in the middle of the market and moved in, rescuing men up and down the country from the dull and the overpriced in one fell swoop and rejuvenating the menswear market to boot.

Over an early morning cappuccino, Bailey explains: "I knew there were other men out

there like me who couldn't afford a £1,000 suit, but wanted an individual look." The man sitting in front of me certainly has an individual look. Bailey is quite the snappy dresser in a low-key combination of Prada and Helmut Lang, but somehow he doesn't look as if he belongs to the fashion world.

"They [the press] always say I look like a bouncer, so people assume I'm this hard nutter who's always looking for a punch-up. The thing is," he says, looking the picture of serenity, as he strokes the heavy

sign director of Jigsaw Menswear. And the fact that he is trying to master yoga suggests a man who is interested in pursuing calm and serenity.

Here is someone who has come up from the bottom in a tough business. Bailey, one of five children of a sample machinist mother and a builder father, grew up on a Tottenham housing estate. At 16 he left school and went to the local technical college to study fashion. "I couldn't stay because I couldn't afford the fees," he says. So, at 17, he left to work

He has already expanded the clothes with two smaller lines. The first, Bailey, is the more upmarket, with luxury fabrics; many of the clothes are limited editions of, say, just 50 of a certain jacket. The second is The Edge, which drills through Bailey's streetwise message, with hi-tech fabrics, anoraks and skinny cropped pants - you get the picture.

Bailey wants to take his vision of cool, urban sportswear to Milan where, he reckons, "the kids are screaming for a hit of affordable high-fashion kit and dying for shops with a looser atmosphere where the music is cranked up".

Japan will also be targeted, along with New York where he would like to show Uth on the catwalk. And in the UK, shops will shortly open in High Street Kensington in west London; in Edinburgh (in an old bank) which will be transformed into a Uth club complete with bar; and in Birmingham.

"I've worked from the bottom up. I know everything there is to know about the construction of a garment and I know my accounts and balance sheets," he says sagely.

But how, I wonder, does he keep his finger firmly on the pulse of fashion?

"Well, I wouldn't get any ideas if I just sat at home watching Coronation Street. I go out to the hotspots and people-watch."

'I wouldn't get any ideas if I sat at home watching Coronation Street. I go out to the hotspots and people-watch'

silver chain around his neck. "I'm not at all like that."

Bailey is, in fact, a 40-year-old big bloke with a shaven head who is not afraid to speak his mind, and that's where the similarity to the proverbial bouncer ends. Far from his aggressive image, he comes across as a sensitive gent who, at 27 Bailey bought the first of two factories, which enabled Jigsaw to make its own exclusive designs and respond quickly to consumer demand.

in the rag trade as a pattern-cutter on £20 a week. "I've still got the calluses on my hands to prove it."

His career took a great leap forward when, at 24, he set up the production for Jigsaw Menswear with John Robinson, who founded Jigsaw 25 years ago. And at 27 Bailey bought the first of two factories, which enabled Jigsaw to make its own exclusive designs and respond quickly to consumer demand.

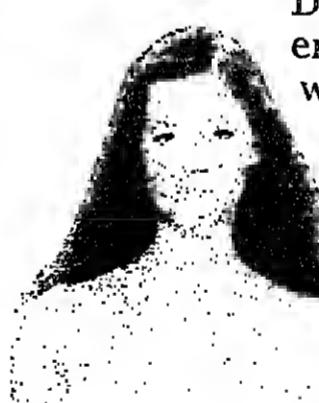
Get down there and see for yourself.



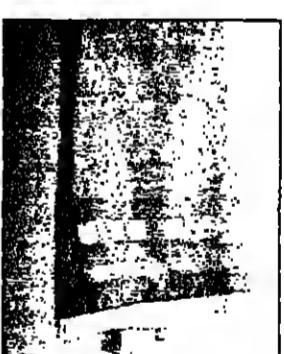
COMPETITION

Wrap yourself in luxury and get the chance to WIN an exclusive designer outfit

Designer labels come with designer prices, but by entering the Comfort Silk competition you could win an outfit worth up to £1,000 from some of the hottest names in contemporary fashion available at Harrods



A woman who buys designer clothes is someone who believes in luxury. Designer clothing is all about details, refined contours, luxurious fabrics and all those careful finishing touches that make designer clothes special. Clothes like these need looking after - they might be an indulgence, but they are also an investment and so need to look good time after time. Even if your wardrobe isn't packed with designer labels, you still want the best out of your clothes. So whatever your budget, it pays to take proper care of what you wear. Comfort Silk is the



last word in luxurious fabric conditioner and will give cherished clothes a rich, silky softness and delicate fragrance. View the latest designer looks and get style and fabric-care advice at the Comfort Silk Designer Collection, a showcase for

the latest designer clothes from Harrods at the Cosmopolitan Show, which runs from 29 April to 5 May. Comfort Silk will present outfits by top designers such as Tracy Boyd, DKNY, Calvin Klein, Joseph, Elisabeth Gibson and Stroesess.

Enter the competition and you could visit the show, and win a designer outfit worth up to £1,000.



COMPETITION

How you could be designer dressing

Enter the Comfort Silk competition and you could be the lucky winner of a pair of tickets to experience the Comfort Silk Designer Collection at the Cosmopolitan Show, PLUS a visit to the Contemporary Designer Department at Harrods where you can pick out a designer outfit for yourself worth up to £1,000. You will also receive a case of Comfort Silk fabric conditioner to keep your new clothes looking good. Just answer the questions below and put your answers along with your name, address and daytime telephone number on a postcard by 26th April and send it to Comfort Silk Independent Competition, London SE9 7YA.

Questions

1. Name two benefits of using Comfort Silk fabric conditioner in your wash.
2. Which supermodel famously fell over on the catwalk when wearing platform shoes?
3. Name two contemporary designers whose clothes are available at Harrods.

1. The price is as stated; there is no cash alternative. 2. The winner will be the first entry drawn after 26 April 1999. 3. The winner will be notified by post after 26 April 1999. 4. The competition is not open to employees of Lever Brothers, The Independent, Harrods or employees of any marketing bodies connected with this competition. 5. No correspondence will be entered into. 6. No responsibility will be accepted for entries damaged, lost or delayed in the post. 7. The competition is open to UK residents aged 18 and over who are not employees of Lever Brothers, The Independent, Harrods or any other company connected with this promotion. 8. The promotion is managed, controlled and administered by Lever Brothers Ltd via the competition address and correspondence concerning the promotion must be directed to Lever Brothers Ltd via the competition address and not Harrods. Cleaning care for entries is 26th April 1999. The Editors decision is final.



1899-1999 Celebrating 100 Years

Multiples are the *prêt-à-porter* to the *haute couture* of the unique work of art. Now a new project intends making these popular and affordable objects more widely available. By Judith Palmer

Go forth and multiply



Osama Bin Laden and Monica Lewinsky in 'What is History?', a skit on the traditional iconic piano-top heads

A special place in 20th-century British art history should surely be reserved for Sir Alec Guinness, Stanley Holloway and Sid James. Back in 1951, when The Lavender Hill Mob had the brainwave of smelting down their stolen gold bullion and disguising it as miniature replicas of the Eiffel Tower, they weren't just out-foxing Scotland Yard: the Ealing Studios comedy-team was creating the nation's first witty art multiples.

It was another decade before the rest of the art-world finally caught up, with Claes Oldenburg, Joseph Beuys, Ian Hamilton Finlay and John Cage amongst the many hundreds of artists producing cheap editions of quirky, mass-produced objects. Piero Manzoni earned his Artist's Shit and Yoko Ono made her all-white travel chess sets. If original artworks were *haute couture*, the multiple was *prêt-à-porter*. You couldn't take the gift-wrapped Reichstag home with you; but 75 lucky people in 1968 spent a few quid on Christo's multiple *Empaqueamento of Roses* and carried off a slender bundle of flowers tied up in a celophane shroud. A very canny investment now worth a few thousand.

Throughout the Nineties, few young British artists resisted the urge to go forth and multiply. Damien Hirst adopted the "ready-made" principle and packaged up ping-pong balls in high-ball glass hummers, while Mark Wallinger made mini, die-cast equestrian statuettes to help offset the cost of buying his real chestnut racehorse. Sometimes you're buying a highly-crafted, cherishable item - sometimes a joke bit of ephemeral art. But where does one find these art souvenirs?

The newest addition to the multiple market is the Multiple Store, an independent research unit based within Central St Martin's College of Art & Design, which re-

cently launched with a collection of six new commissions in editions of 20 to 200, priced from £90 to £495, and from artists such as Cornelia Parker, Keith Coventry and Turner-Prize winner Grenville Davey.

"We thought there was a market for an organisation bringing artists to a new distribution network," explains Multiple Store director Sally Townsend. "We're like publishers really, and we'll keep adding to the collection throughout the year. We're trying to enable artists to explore ideas in materials they may not be familiar with, while bringing their work to a wider audience.

Multiples, by their very nature, allow you to bring the price down and reach more people, yet you're still buying something pretty exclusive that won't be made again."

The collection goes on show this week at Central St Martin's and the Yorkshire Sculpture Park, and continues to tour nationally to non-gallery venues, as well as being available via the World Wide Web (www.multiplesstore.org) and mail order.

"I find these opportunities quite fruitful," says the Scottish sculptor, Kenny Hunter. "Like public art projects, the Multiple Store commission has taken my work in directions it wouldn't otherwise have gone in. If you're designing everything for a white-cube gallery space, you might go round in tight circles. This helps to extend your range."

Hunter (who currently has a solo show of giant, toy-like figures at the Scottish National Portrait Gallery), has produced a pair of busts, as his multiple, depicting Monica Lewinsky and Saudi bomber and pan-Islamist, Osama Bin Laden. A skit on the traditional iconic piano-top heads of Beethoven, Socrates, Burns and Lenin, the curvy, resin duo pose the question: "What is History?"

"The newspapers throw up a constant fresh stream of famous people like these for us to digest, all with a very short shelf-

life," explains Hunter. "They're good, wee bookends," he recommends. "Nice and heavy, they'd be good murder weapons."

Simon Periton usually makes whisperingly delicate paper cut-out dolls, but decided to make his multiple in glass. "Afterwards, I went glass bookers for a bit," laughs Periton, "and spun off to make glass mushrooms and an 8ft floor dolly in enamel-painted glass." His multiple, *Boributro*, is a dainty, gently kinking strand of fragile, hand-twisted barbed wire in opaque lilac, black or white glass. "It enabled me to finally use an idea which had been sitting in my brain for years," he says.

Once he conceived the piece, the Multiple Store put him in touch with Bill Tuffnell and the London Glassblowing Workshop, to embark on the lengthy process of working out how to make the barbed wire. "It felt strange being so hands-off," Periton admits, "when normally I cut every piece myself in my studio. I wanted to make something simple, beautiful, useless and ornamental. The hazards associated with using barbed wire are now turned upon its owner, who's now got to take care of it."

"I did not want to make a knick-knack

or ornament," insists Graham Gussin, who has taken an *Atlas of the Stars* and pulped it to make a large disc, luminously pale and slightly speckled, which looks like a wonderful, inter-planetary Alka Seltzer.

"This is designed to be hung up and out of the way, ideally 7ft above normal picture-hanging height. The idea was to take infinite, unmapable space, and condense it."

Several years ago, Cornelia Parker bought a Namibian iron meteorite, intending to launch it back into space. "It's an irregular, long and knobby rusty rock, a fragment of some spent star, and while it's still here on earth I thought I'd use it as a drawing implement," Parker laughs. Gripping it with tongs, she heats it up then burns careful holes across her London street atlas. First she takes out the Millennium Dome, then the Houses of Parliament, Wormwood Scrubs, Buckingham Palace, and St Paul's Cathedral, charring her way down through the pastel-tinted pages in her own rampaging *Fire of London*. "It's your own personalised meteorite fall," she says, "tying in with that doomsday, end-of-century fear of the unknown."

Scottish artists Dalziel and Sculption are seasoned multiplicitists. Treating the TV

like a budgie's cage, they made a successful series of little sleeping hoods marked *Rest* to drape over your television at night (in handy 17-inch and portable 14-inch sizes). Their latest multiple is *The Idea of North*, a delightfully simple compass floating in a chunky disc of sandblasted perspex as if caught in the middle of a glacier. The idea presented itself when their next-door neighbour called round in desperate need of a compass so he could line-up the arrow on his new weather vane.

"I love the idea of everyone around the country holding these compasses at a slightly different angle, but them all still pointing in the same direction, at the same imaginary place," muses Matthew Dalziel. "The more that are bought, the more the work grows. They all become connected, with people dotted around the place, all joined in the same idea. That for me is the essence of a multiple, rather than just an edition: something that becomes a bigger work because there's more of them. It's also a good compass," he adds. "It's Swedish. It could save your life." It makes a fabulous paperweight, too, and just think how it could sort out all your *feng shui* needs.

"I think for people not used to buying art,

there's a great feeling of safety in numbers," considers Gill Hedley, director of the Contemporary Art Society - spoken as if a surge of collective Dalziel and Sculption compasses were already quivering in her hand. "Multiples are great," she says, pointing out her *Tracy Emin Mug*, *Marielle Neudecker plaster mountain*, and *jars of Anya Gallaccio gerberas*. "It's rather like buying prints - a way of getting your nerve up before committing yourself to buying something much bigger and more expensive. You couldn't usually afford works by a lot of these artists. In fact, you probably couldn't even get them in the front door."

Multiple Store at Lethaby Gallery, Central Saint Martin's College of Art & Design, Southampton Row, London until 30 April. Yorkshire Sculpture Park, Wakefield until 20 June (01924 830302)

There will be a special evening viewing for Independent readers at the Multiple Store on Wednesday 28 April 6-8pm, at which the artists will discuss their work. For free tickets, call 0171-514 7258

A vision of the victims of war

DEBORAH BRUCE's lovely, poetic revival of *Making Noise Quietly*, Robert Holman's 1986 triptych about lives touched and damaged by war, arrives in the West End at a tragically auspicious moment. With Nato and the Government intent on simplifying the Balkans conflict to a monolithic struggle between Good and Evil, we need the sanity of this play's scrupulous vision more than ever.

A finely wrought moodpiece as much as a delicately nuanced moral meditation, *Making Noise Quietly* achieves its impact by examining war's long-range effects in seemingly incongruous atmospheres. The nearest we get to battle is in the sound of the Doodlehugs that have run down on the neighbouring Kentish fields in the first play, *Being Friends*, set

THEATRE

MAKING NOISE QUIETLY WHITEHALL THEATRE LONDON

in the hot summer of 1944.

Hailing from a family with a long pacifist tradition, Holman is preoccupied by the problem of evil: does it exist in a form to which the only viable moral response is war? John Lloyd Fillingham's Oliver, a conscientious objector working on the land, is now struggling with his pacifist beliefs as he awkwardly reveals to a gangly, uninhibited, well-connected young artist (Peter Hanly) in a chance, pastorally idyllic encounter that is full of wry homo-erotic subcurrents. What rocked his certainties was the spectacle, in the hospital where

he used to work, of a German soldier who appeared to have been brutally tortured. The fact that Oliver's pacifism is isolated by an atrocity so close to home is characteristic of a triptych that declines to see things in black-and-white terms.

Given a haunting continuity here by having the excellent actors double roles, by silhouetted costume changes and by the dreamily unresolved incidental music, the three pieces have a powerful cumulative effect. The most clear-cut, perhaps, is the second, set during the Falklands War, in which an ordinary Cleveland housewife (Eleanor Bron) fights to cope with the news that her snobbish, longestranged son has (a) perished on HMS *Glamorgan* and (b) married behind their backs into a top naval family.



John Lloyd Fillingham and Peter Hanly. *Geraint Lewis*

The play is a subtle study of the social and emotional pressures that can turn an instinctive revulsion of war into a *dulce et decorum est* patriotic sound.

Cut to 1986 in the Black Forest, and another Falklands veteran, on the run from the army

with his eight-year-old stepson, comes into testing collision with a German businesswoman and Holocaust survivor in the most beautiful of the plays.

The opportunities for notes of false uplift are rife in this kind of story: a victim of the camps wages a determined battle to draw a little boy (the excellent Phillip Dowling) out of his defiant mutism and to bring home to the stepfather - whose army-induced terror of his capacity for violence is superbly conveyed by Mr Lloyd Fillingham - that he is not evil incarnate. But thanks to a most movingly unsentimental performance from Ms Bron and to the writing's wonderful open-endedness, all the pitfalls are avoided.

PAUL TAYLOR

Box office: 0171-369 1735

The old, old story of girl meets god

"MYSELF I shall adore," sings Semele with fabulous immorality in the final act of Handel's wonderful opera. This is the apogee of her vanity, the moment of her undoing, and as ever, Handel elevates the frivolity to high art. The breath-taking self-regard of the coloratura is, in itself, like a mirror-image, dazzling echo effects, twisting phrases back and forth as Semele is lost - quite literally - in self-admiration.

Rosemary Joshua sang it with terrific charm and abandonment in Robert Carsen's handsome staging (first seen at the Aix-en-Provence Festival in 1996). Her embellishments seemed to proliferate in direct accordance with her dizzying conceit. Glitter and gay, gay, gay.

But is that all there is to Semele? Good-time girl with delusions of immortality sees

OPERA

SEMELE ENO COLISEUM LONDON

the error of her foolish ways and is reborn in the form of Bacchus, god of wine, to bring unfold pleasure to all? Well, yes, that is about it. And yet we are charmed and touched by her plight. In a sense, we participate in her dreams, refusing to accept, as she does, that she is but a plaything of the gods. And in that, Carsen succeeds, as good productions do, in weighing the frivolity and the satire with a dash of wonder and compassion.

Semele's final moments, exuding on the royal mantle she truly believes is rightly hers, is strangely moving. Handel doesn't indulge her demise with a full-blown exit aria. Her accompanied recitative, albeit of hypnotic beauty, is but a footnote. And even that serial-adulterer Jupiter emerges with some dignity. For sure, he cleverly exploits Semele's gullibility

click of Jupiter's fingers, myriad stars bring Arcadian night to its empty walls.

Carsen uses the over-dressed formality of this exclusive and slightly surreal world of society weddings, royal encounters, and red carpets to great effect. At one and the same time, he deploys it to heighten his stage-blocking of the opera's many choruses, while mocking its absurdity.

So Semele, caught in the flash-hubs of public attention on her wedding day, slips from the frame of one "photograph" to share her dilemma with us. And later, when news arrives that Jupiter - in the form of an eagle - has carried her off, the somewhat po-faced recitative is amusingly offset by the arrival of the daily press, banner headlines proclaiming: "By Jove!", "Semele: I'm in Heaven!", "Where Eagles Dare".

The Olympian grandeur of the production sits well in the Coliseum, but the price we pay in this house is a lack of musical immediacy. Carsen's big arias do spread Handel about. Conductor Harry Bicket does his level best to keep him in focus, both in and out of the pit, but the choral counterpoint is seriously compromised, and even the strongest of the principals are to some extent diminished by the scale.

Rosemary Joshua has made the title role very much her own, delighting in the sensuousness and sheer naughtiness of her music ("Endless Pleasure" is delivered in a bath towel draped to slip conveniently from her naked form). John Mark Ainsley's Jupiter gives us the most contained and authoritative singing of

the evening. "Where'er you walk" blessed with exquisite embellishments. And the excellent Janis Kelly is a scene-stealing Iris - the Queen's put-upon attendant, armed with photographic evidence of Jove's infidelities and even maps of his whereabouts. The Queen - Juno (Susan Bickley) - is, well, The Queen. Coronet, spectacles, that handbag, and even the headscarf and wellies. No corgi, though.

While the champagne flows and flows, courtesy of Bacchus, in the closing moments, there's a delicious pay-off as she spots Jove yet again with his hands where they ought not to be. Freeze frame.

EDWARD SECKERSON

Box office: 0171-632 8300. "Semele" will be broadcast live simultaneously on BBC2 and Radio 3. 7pm, 15 May

Travels in mythical America

POP

TOM PETTY AND THE HEARTBREAKERS SHEPHERD'S BUSH EMPIRE LONDON

was clearly surprised at just how well the audience remembered his Seventies hits. When he placed a lit cigarette between the strings on the headstock of his Telecaster, everybody cheered. It was an anachronistic gesture that contextualised Petty as neatly as his Byrds harmonies, his vintage guitar collection and the economic melodies that he refined to virtually near perfection on his 1989 solo debut *Full Moon Fever*.

"I won't back down", a track from that album, provided the first sing-along of the evening. Petty led on acoustic guitar and Tench added a typically inventive organ figure. Elsewhere, much of the set - which included a number by John Mayall's Bluesbreakers - was heads-down, no-nonsense rock'n'roll. The Heartbreakers might best be described as a very good pub rock outfit, but if God had a local, they'd probably be the house band.

There's a neologism currently doing the rounds which describes the late Nineties, middle-aged male's fixation with more youthful pursuits: "adolescent". There's certainly an "adolescent" quality to Petty's boy-meets-girl, driving-around-with-the-roof-down snapshots. It's hard to absorb a gig such as this one without a nostalgic eye in the rear-view, but if you want a fast track to the days when you were born to run, Petty still fits the bill.

JAMES MCNAIR

A version of this review appeared in some editions of yesterday's paper



THE INFORMATION DAILY

CINEMA · THEATRE · EXHIBITIONS · MUSIC · DANCE · LITERATURE · COMEDY · EVENTS · TV & RADIO

NEW FILMS

ACTRESSES (15, 88 mins)

Director: Ventura Pons
Starring: Rosa Maria Sarda, Nuria Espert
Cult Spanish director Pons rustles up a googly-eyed bit of cinematic navel-gazing in this ode to the acting lark. Shot back in 1997 before last year's art-house hit *Curresses*, *Actresses* details the earnest research of Merce Pons's aspiring thespian – interviewing three diverse old hands (Rosa Maria Sarda, Nuria Espert, Anna Lizaran) about their life and times in the greasepaint trade. Part acting masterclass, part loquacious reminiscence, *Actresses* slowly stews in an ambience of oppressive theatricality. Its performers talk as if they're being paid by the word. *Repertory: ICA Cinema*

HAPPINESS (18, 134 mins)

Director: Todd Solondz
Starring: Dylan Baker, Philip Seymour Hoffman
See *The Independent Recommends*, right.
West End: Clapham Picture House, Curzon Soho, Gate Notting Hill, Odeon Camden Town, Renoir, Ritzy Cinema, Screen on Baker Street, Screen on the Green, Screen on the Hill, Virgin Haymarket

AN IDEAL HUSBAND (PG, 100 mins)

Director: Oliver Parker
Starring: Cate Blanchett, Minnie Driver
Stuffed-shirt politico Sir Robert Chiltern (Jeremy Northam) is being held to ransom by Julianne Moore's brittle blackmailer. Wife Cate Blanchett looks on in horror, while louche Rupert Everett and effervescent Minnie Driver provide the comic relief. And so it goes. Oliver Parker's film is a proficient but oddly mechanical overhaul of Oscar Wilde's still-pertinent satire of middle-class hypocrisies – the friction between the public and private sphere. The sharp dialogue is rather blurred by the snappy editing and sumptuous design, but bright playing from a starry cast helps to paper over the cracks. *West End: Odeon Marble Arch, Virgin Fulham Road, Virgin Trocadero, Warner Village West End. And local cinemas*

Xan Brooks

GENERAL RELEASE

AMERICAN HISTORY X (18, 117 mins)

American History X is a liberal essay on right-wing fanaticism which nonetheless indulges in some dubious Nazi chic. *West End: Odeon Camden Town, Odeon Kensington, Odeon Marble Arch, Ritzy Cinema, Virgin Trocadero, Warner Village West End. And local cinemas*

ARLINGTON ROAD (15, 117 mins)
Mark Peltzman's intriguingly staged paranoia thriller stars Jeff Bridges and Tim Robbins. *West End: Warner Village West End. And local cinemas*

AN AUTUMN TALE (U, 111 mins)
The final part of Eric Rohmer's *Tales of the Four Seasons* is airy elegiac and as warm as sunshine. *West End: Curzon Mithra, Renoir*

BEDROOMS AND HALLWAYS (15, 96 mins)
The latest offering from *This Life* school of British film-making sees Kevin McKidd's giddy Doniber being put through all manner of romantic hoops in the run-up to his 30th birthday. *West End: ABC Shaftesbury Avenue, Clapham Picture House, Odeon Mezzanine, Virgin Fulham Rd. Repertory: The Fulman Everyman*

BLAST FROM THE PAST (12, 111 mins)
Hugh Wilson's workmanlike Cold War satire starring Brendan Fraser. *West End: Virgin Trocadero, Warner Village West End. And local cinemas*

CENTRAL STATION (15, 110 mins)
Central Station trails Fernanda Montenegro's retired schoolteacher and her abandoned nine-year-old charge on a hunt through the badlands of Sertao for the boy's missing father. *West End: Curzon Mayfair, Ritzy Cinema*

A CIVIL ACTION (15, 115 mins)
John Travolta's ambulance-chasing lawyer takes a shot at redemption in this complex and frequently absorbing courtroom saga. *West End: Clapham Picture House, Empire Leicester Square, UCI Whiteleys, Virgin Chelsea, Virgin Trocadero, Warner Village West End. And local cinemas*

THE FACULTY (15, 104 mins)
See *The Independent Recommends*, above. *West End: Odeon Camden Town, Odeon Kensington, Odeon Marble Arch, Odeon Swiss Cottage, UCI Whiteleys, Virgin Chelsea, Virgin Trocadero, Warner Village West End. And local cinemas*

GODS AND MONSTERS (15, 105 mins)
See *The Independent Recommends*, above. *West End: ABC Tottenham Court Road, Curzon Soho, Metro, Virgin Fulham Road, Repertory: Phoenix Cinema, Watermans Arts Centre*

HIGH ART (18, 102 mins)
See *The Independent Recommends*, above. *West End: Curzon Soho, Odeon Camden Town, Ritzy Cinema*

LIFE IS BEAUTIFUL (PG, 114 mins)
Roberto Benigni's Oscar-winning comedy about fascist Italy and the death-camps. *West End: ABC Swiss Centre, Clapham Picture House, Empire Leicester Square, Odeon Kensington, Odeon Mezzanine, Ritzy Cinema, UCI Whiteleys, Virgin Chelsea, Virgin Haymarket. Repertory: Phoenix Cinema. And local cinemas*

WAKING NED (PG, 91 mins)
This rattle-bag of a black comedy is just too air-brushed for its own good. *West End: Odeon Kensington, Odeon Marble Arch, Odeon West End, Virgin Chelsea. And local cinemas*

MIGHTY JOE (PG, 114 mins)
This children's comedy is disposable Disney fluff, yet it boasts a ready charm that's hard to dislike. *West End: Odeon Marble Arch, Virgin Chelsea. And local cinemas*

Picture House, Odeon Kensington, Odeon Marble Arch, Odeon Swiss Cottage, Odeon West End, Ritzy Cinema, Screen on Baker Street, The Tricycle Cinema, UCI Whiteleys, Virgin Fulham Road. And local cinemas

PROMETHEUS

(15, 130 mins)
Director: Tony Harrison
Starring: Michael Feast, Walter Sparrow
Tony Harrison's dense and literate film-poem kicks off with a visit from Hermes (Michael Feast) to a depressed mining town in Yorkshire, before moseying off through the smokestack landscapes of polluted Eastern Europe. Harrison's rigorous, locomotive verse stokes an awkward and overclogged narrative (updating Aeschylus's *Prometheus Bound*) into life, but it's still too long, too ill-paced, too heavy handed in its eco-conscious message. Two hours in, and those rhyming couples start to grate a bit. *West End: Notting Hill Coronet*

RETURN TO PARADISE

(15, 109 mins)
Director: Joseph Ruben
Starring: Vince Vaughn, Anne Heche, Joaquin Phoenix, David Conrad

Eden takes on a definite whiff of sulphur in the course of Joseph Ruben's fact-based saga, as two strutting graduate travellers (Vince Vaughn and David Conrad) are impelled to return to the scene of their former crimes when an erstwhile buddy (Joaquin Phoenix) is busted for drugs possession in Malaysia. A classic morality play in the "what would you do?" mould, *Return to Paradise* still conspires to bungle its ready-made drama. Opening out as a tame marriage of *Midnight Express* and *The Beach*, its inherent tension seeps away throughout a pedestrian second half. A love angle between Vaughn and Anne Heche's earnest defence lawyer looks tacked on as an afterthought. *West End: Odeon Marble Arch, Virgin Fulham Road, Virgin Trocadero, Warner Village West End. And local cinemas*

Xan Brooks

SHAKESPEARE IN LOVE

(15, 155 mins)
This enjoyable, Oscar-laden historical romp suggests how romance fired Shakespeare with the inspiration for *Romeo and Juliet*. Joseph Fiennes (right) and Gwyneth Paltrow (Best Actress) head an impressive cast. *West End: Notting Hill Coronet*

THE FACULTY

(15, 109 mins)
Kevin Williamson does it again with this sci-fi tale of alien invaders. Beautiful people, a sharp script, subversive morals, Piper Laurie... Why can't all teen films be like this?

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